No. 14-915

IN THE

Supreme Court of the United States

REBECCA FRIEDRICHS; SCOTT WILFORD; JELENA FIGUEROA; GEORGE W WHITE, JR.; KEVIN ROUGHTON; PEGGY SEARCY; JOSE MANSO; HARLAN ELRICH; KAREN CUEN; IRENE ZAVALA; and CHRISTIAN EDUCATORS ASSOCIATION INTERNATIONAL,
Petitioners,

v

CALIFORNIA TEACHERS ASSOCIATION, ET AL.,
Respondents.

On Writ Of Certiorari
To The United States Court Of Appeals
For The Ninth Circuit

JOINT APPENDIX (VOLUME I OF II)

MICHAEL A. CARVIN
Counsel of Record
HASHIM M. MOOPPAN
JAMES M. BURNHAM
WILLIAM D. COGLIANESE
JONES DAY
51 Louisiana Ave. NW
Washington, DC 20001
(202) 879-3939
macarvin@jonesday.com

JEREMIAH A. COLLINS
Counsel of Record
BREDHOFF & KAISER, PLLC
805 Fifteenth Street, N.W.,
Suite 1000
Washington, DC 20005
(202) 842-2600
jcollins@bredhoff.com

Counsel for Petitioners

PETITION FOR CERTIORARI FILED JANUARY 26, 2015
CERTIORARI GRANTED JUNE 30, 2015

ALEXANDRA R. GORDON
OFFICE OF THE ATTORNEY GENERAL
455 Golden Gate Ave.,
Suite 11000
San Francisco, CA 94102
(415) 703-5509
alexandra.robertgordon@doj.ca.gov

Counsel for Respondents

TABLE OF CONTENTS

Page

VOLUME I

Docket Entries, *Friedrichs v. Cal. Teachers Ass'n*, No. 13-57095 (9th Cir.) 1

Docket Entries, *Friedrichs v. Cal. Teachers Ass'n*, No. 8:13-cv-00676 (C.D. Cal.) 10

Opinion of the U.S. Court of Appeals for the Ninth Circuit (Nov. 18, 2014)..... 18

Opinion of the U.S. District Court for the Central District of California (Dec. 5, 2013) 19

Statutes & Regulations Involved..... 25

Complaint (Apr. 30, 2013)..... 69

Agreement Between San Luis Obispo County Superintendent of Schools and San Luis Obispo County Education Association, CTA/NEA, 2012-2015 (Ex. A to Comp.)..... 104

Letter from Mitch Olson, President, Kern High Teachers Association, to Non-Member (Ex. B to Comp.)..... 234

CBA, Savanna School District and Savanna District Teachers Association, 2009-2012 (Ex. 1A to Pls.' Mot. for Prelim. Inj.) 236

Letter from Debbie Knapp, CTA, to Albert Acosta, Savanna School District (Ex. 1D to Pls.' Mot. for Prelim. Inj.) 312

CTA/NEA Membership Enrollment Form
(Ex. 1E to Pls.' Mot. for Prelim. Inj.) 314

CTA, *Issues & Action: Collective Bargaining*
(Ex. 13 to Pls.' Mot. for Prelim. Inj.) 325

Decl. of Dean Vogel in Support of Motion to Intervene, *Vergara v. California*, No. BC 484642 (Cal. Sup. Ct. March 26, 2013)
(Ex. 14 to Pls.' Mot. for Prelim. Inj.) 330

VOLUME II

NEA, *Collective Bargaining: What It Is and How It Works*
(Ex. 15 to Pls.' Mot. for Prelim. Inj.) 337

Compendium of Web Pages Cited in Comp.
(Ex. 17 to Pls.' Mot. for Prelim. Inj.) 344

CTA, 2012 *Hudson* Notice
(Ex. 18 to Pls.' Mot. for Prelim. Inj.) 355

CTA, Combined Financial Statements for Year Ended Aug. 30, 2011 (Ex. C to Comp.) 362

NEA, Consol. Financial Statements and Supp. Schedules for Years Ended Aug. 31, 2011 and 2010, and Report of Indep. Auditors Thereon (Ex. D to Comp.) 444

NEA, Chargeable and Nonchargeable Audited Expenditures for the 2010-2011 Fiscal Year (Ex. E to Comp.) 576

CTA, *Top Ten Reasons Why You Should Vote No on Prop. 75!* (Ex. 19 to Pls.' Mot. for Prelim. Inj.) 613

Plaintiffs' Motion for Judgment on the Pleadings (July 9, 2013) 615

Union Defendants' Amended Answer (Aug. 9, 2013) 621

CTA, 2012-13 Agency Fee Rebate/ Arbitration Request Form (Ex. A to Union Defs.' Am. Answer) 663

Proposed Answer and Affirmative Defenses of Attorney General to Plaintiffs' Complaint (Sept. 19, 2013) 665

GENERAL DOCKET
UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

Court of Appeals Docket #: 13-57095

Docketed: 12/13/2013

Nature of Suit: 3440 Other Civil Rights

Termed: 11/18/2014

Rebecca Friedrichs, et al v. California Teachers Assoc., et al

Appeal From: U.S. District Court for Central California, Santa Ana

Fee Status: Paid

Case Type Information:

1) civil

2) private

3) null

Originating Court Information:

District: 0973-8 : 8:13-cv-00676-JLS-CW

Court Reporter: Blanca Carvajal, Manager

Trial Judge: Josephine L. Staton, District Judge

Date Filed: 04/30/2013

Date Order/Judgment: 12/05/2013

Date Order/Judgment EOD: 12/06/2013

Date NOA Filed: 12/12/2013

Date Rec'd COA: 12/12/2013

Prior Cases: None

Current Cases: None

REBECCA FRIEDRICHS; SCOTT WILFORD; JELENA FIGUEROA; GEORGE W. WHITE, Jr.; KEVIN ROUGHTON; PEGGY SEARCY; JOSE MANSO; HARLAN ELRICH; KAREN CUEN; IRENE ZAVALA; CHRISTIAN EDUCATORS ASSOCIATION INTERNATIONAL,

Plaintiffs – Appellants,

v.

CALIFORNIA TEACHERS ASSOCIATION; NATIONAL EDUCATION ASSOCIATION; SADDLEBACK VALLEY EDUCATORS ASSOCIATION; SAVANNA DISTRICT TEACHERS ASSOCIATION; ORANGE UNIFIED EDUCATION ASSOCIATION, INC.; KERN HIGH SCHOOL TEACHERS ASSOCIATION; NATIONAL EDUCATION ASSOCIATION, Jurupa; SANTA ANA EDUCATORS ASSOCIATION, INC.; TEACHERS ASSOCIATION OF NORWALK, La Mirada Area; SANGER UNIFIED TEACHERS ASSOCIATION; ASSOCIATED CHINO TEACHERS; SAN LUIS OBISPO COUNTY EDUCATION ASSOCIATION; SUE JOHNSON; CLINT HARWICK; MICHAEL L. CHRISTENSEN; DONALD E. CARTER; ELLIOTT DUCHON; THELMA MELENDEZ DE SANTA ANA; RUTH PEREZ; MARCUS P. JOHNSON; WAYNE JOSEPH; JULIAN D. CROCKER,

Defendants – Appellees,

KAMALA D. HARRIS, Attorney General,

Defendant – Intervenor.

Date Filed	#	Document Text
12/13/2013	1	DOCKETED CAUSE AND ENTERED APPEARANCES OF COUNSEL SEND MQ: Yes. The schedule is set as follows: Mediation Questionnaire due on 12/20/2013. Transcript ordered by 01/13/2014. Transcript due 04/14/2014. Appellants Christian Educators Association International, Karen Cuen, Harlan Elrich, Jelena Figueroa, Rebecca Friedrichs, Jose Manso, Kevin Roughton, Peggy Searcy, George W. White Jr., Scott Wilford and Irene Zavala opening brief due 05/27/2014. Appellees Associated Chino Teachers, California Teachers Association, Donald E. Carter, Michael L. Christensen, Julian D. Crocker, Elliott Duchon, Clint Harwick, Marcus P. Johnson, Sue Johnson, Wayne Joseph, Kern High School Teachers Association, Thelma Melendez De Santa Ana, National Education Association, Orange Unified Education Association, Inc., Ruth Perez, Saddleback Valley Educators Association, San Luis Obispo County Education Association, Sanger Unified Teachers Association, Santa Ana Educators Association, Inc., Savanna District Teachers Association and Teachers Association of Norwalk answering brief due

06/26/2014. Appellant's optional reply brief is due 14 days after service of the answering brief. [8901124] (JN) [Entered: 12/13/2013 01:51 PM]

* * *

07/01/2014 18 Submitted (ECF) Opening Brief and excerpts of record for review. Submitted by Appellants Christian Educators Association International, Karen Cuen, Harlan Elrich, Jelena Figueroa, Rebecca Friedrichs, Jose Manso, Kevin Roughton, Peggy Searcy, George W. White, Jr., Scott Wilford and Irene Zavala. Date of service: 07/01/2014. [9153043] — [COURT UPDATE: Attached corrected brief. 07/02/2014 by TL] — [COURT UPDATE: Attached corrected excerpts of record. 08/12/2014 by TLJ (JB) [Entered: 07/01/2014 03:31 PM]

* * *

09/02/2014 35 Submitted (ECF) Answering Brief and supplemental excerpts of record for review. Submitted by Appellees Associated Chino Teachers, California Teachers Association, Donald E. Carter, Michael L. Christensen, Julian D. Crocker, Elliott Duchon, Clint Harwick, Marcus P. Johnson, Sue Johnson, Wayne Joseph, Kern High School Teachers Association, Thelma Melendez De Santa Ana, National

		Education Association, National Education Association, Orange Unified Education Association, Inc., Ruth Perez, Saddleback Valley Educators Association, San Luis Obispo County Education Association, Sanger Unified Teachers Association, Santa Ana Educators Association, Inc., Savanna District Teachers Association and Teachers Association of Norwalk. Date of service: 09/02/2014. [9225968] (JAC) [Entered: 09/02/2014 03:24 PM]
09/02/2014	36	Submitted (ECF) Answering Brief for review. Submitted by Intervenes Kamala D. Harris. Date of service: 09/02/2014. [9226247] (ARG) [Entered: 09/02/2014 05:15 PM]
		* * *
09/16/2014	45	Submitted (ECF) Reply Brief for review. Submitted by Appellants Christian Educators Association International, Karen Cuen, Harlan Elrich, Jelena Figueroa, Rebecca Friedrichs, Jose Manso, Kevin Roughton, Peggy Searcy, George W. White, Jr., Scott Wilford and Irene Zavala. Date of service: 09/16/2014. [9242376] (JB) [Entered: 09/16/2014 02:06 PM]
		* * *
10/03/2014	48	Filed (ECF) Appellants Christian Educators Association International,

		Karen Cuen, Harlan Elrich, Jelena Figueroa, Rebecca Friedrichs, Jose Manso, Kevin Roughton, Peggy Searcy, George W. White, Jr., Scott Wilford and Irene Zavala Motion for summary affirmance, Motion to submit case on briefs. Date of service: 10/03/2014. [9264367] (JB) [Entered: 10/03/2014 09:37 AM]
10/03/2014	49	Filed clerk order (Deputy Clerk: DA): The court has received appellants' urgent motion for summary affirmance or to submit on the papers. Pursuant to the court's July 16, 2014 order, appellants' motion is referred to the panel assigned to decide the merits of this appeal for whatever consideration the panel deems appropriate. Briefing is completed. This appeal will be calendared in due course. [9265678] (SM) [Entered: 10/03/2014 04:14 PM]
10/14/2014	50	Filed (ECF) Appellees Associated Chino Teachers, California Teachers Association, Donald E. Carter, Michael L. Christensen, Julian D. Crocker, Elliott Duchon, Clint Harwick, Marcus P. Johnson, Sue Johnson, Wayne Joseph, Kern High School Teachers Association, Thelma Melendez De Santa Ana, National Education Association, National Education Association, Orange Unified Education Association, Inc., Ruth Pe-

rez, Saddleback Valley Educators Association, San Luis Obispo County Education Association, Sanger Unified Teachers Association, Santa Ana Educators Association, Inc., Savanna District Teachers Association and Teachers Association of Norwalk response opposing motion (motion for summary affirmance, motion to submit case on briefs). Date of service: 10/14/2014. [9275645] (JAC) [Entered: 10/14/2014 12:34 PM]

10/16/2014 51 Filed (ECF) Appellants Christian Educators Association International, Karen Cuen, Harlan Elrich, Jelena Figueroa, Rebecca Friedrichs, Jose Manso, Kevin Roughton, Peggy Searcy, George W. White, Jr., Scott Wilford and Irene Zavala reply to response (, motion for summary affirmance, motion to submit case on briefs). Date of service: 10/16/2014. [9279118] (JB) [Entered: 10/16/2014 12:03 PM]

10/16/2014 52 Filed (ECF) Appellants Christian Educators Association International, Karen Cuen, Harlan Elrich, Jelena Figueroa, Rebecca Friedrichs, Jose Manso, Kevin Roughton, Peggy Searcy, George W. White, Jr., Scott Wilford and Irene Zavala motion for reconsideration of non-dispositive Clerk Order of 10/03/2014. Date of service: 10/16/2014. [9279125] (JB)

[Entered: 10/16/2014 12:05 PM]

10/23/2014 53 Filed order (Appellate Commissioner): The court has received appellants' urgent motion to reconsider the October 3, 2014 Clerk order. The October 3, 2014 Clerk order referred appellants' urgent motion for summary affirmance or to submit on the papers to the panel assigned to decide the merits of this appeal. The motion to reconsider is granted with respect to appellants' request that the motion for summary affirmance be referred to a motions panel for disposition rather than awaiting submission of the appeal to a merits panel. That portion of the October 3, 2014 order referring the motion for summary disposition to the merits panel is vacated. The request for expedited disposition of the motion for summary affirmance by a motions panel before October 31, 2014 is denied. The motion for summary affirmance will be presented to a motions panel in due course, but not later than December 2014. Briefing is completed. (MOATT) [9287472] (SM) [Entered: 10/23/2014 08:55 AM]

11/18/2014 54 Filed order (WILLIAM C. CANBY, RICHARD R. CLIFTON and JOHN B. OWENS): The court has reviewed appellants' motion for summary affirmance and appellees' opposition

thereto, the record, and the briefing filed in this appeal. Upon review, the court finds that the questions presented in this appeal are so insubstantial as not to require further argument, because they are governed by controlling Supreme Court and Ninth Circuit precedent. See United States v. Hooton, 693 F.2d 857, 858 (9th Cir. 1982) (per curiam) (stating standard for summary affirmance); Abood v. Detroit Bd. Of Ed., 431 U.S. 209, 232 (1977) (allowing public-sector agency shop); Mitchell v. L.A. Unified Sch. Dist., 963 F.2d 258, 263 (9th Cir. 1992) (allowing opt-out regime). Accordingly, we summarily affirm the district court's judgment. AFFIRMED. [9317386] (AF) [Entered: 11/18/2014 01:29 PM]

12/11/2014 55 MANDATE ISSUED. (WCC, RRC and JBO) [9345854] (MT) [Entered: 12/11/2014 01:02 PM]

* * *

07/01/2015 59 Received notice from the Supreme Court. Petition for certiorari GRANTED on 06/30/2015. Supreme Court Number 14-915. [9594986] (RR) [Entered: 07/01/2015 09:11 AM]

UNITED STATES DISTRICT COURT for the CENTRAL DISTRICT OF CALIFORNIA (Southern Division – Santa Ana)

CIVIL DOCKET FOR CASE #:8:13-cv-00676-JLS-CW

Rebecca Friedrichs et al v. California Teachers Association et al

Assigned to: Judge Josephine L. Staton
Referred to: Magistrate Judge Carla Woehrle
Case in other court: 9TH CCA, 13-57095
Cause: 42:1983 Civil Rights Act

Date Filed: 04/30/2013
Date Terminated: 12/05/2013
Jury Demand: None
Nature of Suit: 440 Civil Rights: Other
Jurisdiction: Federal Question

Date Filed	#	Document Text
04/30/2013	1	COMPLAINT against defendants Associated Chino Teachers, California Teachers Association, Donald E Carter, Michael L Christensen, Julian D Crocker, Thelma Melendez De Santa Ana, Elliott Duchon, Clint Harwick, Marcus P Johnson, Sue Johnson, Wayne Joseph, Kern High School Teachers Association, National Education Association, National Education Association Jurupa, Orange Unified Education Association Inc, Ruth Perez, Saddleback Valley Educators Association, San Luis Obispo

County Education Association, Sanger Unified Teachers Association, Santa Ana Educators Association Inc, Savanna District Teachers Association CTA NEA, Teachers Association of Norwalk La Mirada Area. Case assigned to Judge Josephine Staton Tucker for all further proceedings. Discovery referred to Magistrate Judge Carla Woehrle. (Filing fee $ 350 Paid), filed by plaintiffs Jelena Figueroa, Irene Zavala, Jose Manso, Rebecca Friedrichs, Harlan Elrich, Peggy Searcy, George W White Jr, Kevin Roughton, Karen Cuen, Christian Educators Association International, Scott Wilford.(dg) (Additional attachment(s) added on 5/1/2013: # 1 Civil cover sheet, CV-18 and Summons) (dg). (Entered: 05/01/2013)

* * *

06/20/2013 66 ANSWER to Complaint – (Discovery), 1 filed by Union Defendants Associated Chino Teachers, California Teachers Association, Kern High School Teachers Association, National Education Association, National Education Association Jurupa, Orange Unified Education Association Inc, Saddleback Valley Educators Association, San Luis Obispo County Education Association, Sanger Unified Teachers Association, Santa Ana Educators Association Inc, Savanna District

Teachers Association CTA NEA, Teachers Association of Norwalk La Mirada Area.(Demain, Jeffrey) (Entered: 06/20/2013)

* * *

06/25/2013 71 NOTICE OF MOTION AND MOTION for Preliminary Injunction re (1) maintaining agency-shop arrangements under which the Plaintiffs, as non-union-members, are required to pay fees to the Defendant Unions; and (2) requiring Plaintiffs to pay the non-chargeable portion of the Defendant Unions annual fees unless the Plaintiffs affirmatively opt out of doing so every year. If this is filed during normal business hours, please contact the courtroom deputy assigned to the judge. If you are filing this document after 5:00 Monday through Friday, on a weekend or holiday, and need immediate judicial review, please call 213-894-2485 to advise that a Preliminary Injunction has been electronically filed. Failure to call the courtroom deputy, or the after hours filing contact number, may result in a delay of judicial review. Motion filed by Plaintiffs Karen Cuen, Harlan Elrich, Jelena Figueroa, Rebecca Friedrichs, Jose Manso, Kevin Roughton, Peggy Searcy, George W White Jr, Scott Wilford, Irene Zavala. Motion set for

hearing on 7/26/2013 at 02:30 PM before Judge Josephine Staton Tucker. (Attachments: # 1 Declaration of John A. Vogt ISO Plaintiffs Motion for Preliminary Injunction, # 2 Exhibit 1-4 to Decl. of JAV, # 3 Exhibit 5 to Decl. of JAV, # 4 Exhibit 6 to Decl. of JAV, # 5 Exhibit 7(1) to Decl. of JAV, # 6 Exhibit 7(2) to Decl. of JAV, # 7 Exhibit 7(3) to Decl. of JAV, # 8 Exhibit 8(1) to Decl. of JAV, # 9 Exhibit 8(2) to Decl. of JAV, # 10 Exhibit 8(3) to Decl. of JAV, # 11 Exhibit 9-10(1) to Decl. of JAV, # 12 Exhibit 10(2) to Decl. of JAV, # 13 Exhibit 11-19 to Decl. of JAV, # 14 Exhibit 20-24 to Decl. of JAV, # 15 Exhibit 25(1) to Decl. of JAV, # 16 Exhibit 25(2)-30 to Decl. of JAV, # 17 Proposed Order)(Vogt, John) (Entered: 06/25/2013)

* * *

07/09/2013 81 NOTICE OF MOTION AND MOTION for Judgment on the Pleadings as to Pleadings filed by Plaintiffs Christian Educators Association International, Karen Cuen, Harlan Elrich, Jelena Figueroa, Rebecca Friedrichs, Jose Manso, Kevin Roughton, Peggy Searcy, George W White Jr, Scott Wilford, Irene Zavala. Motion set for hearing on 8/9/2013 at 02:30 PM before Judge Josephine Staton Tucker. (Attachments: # 1

Proposed Order)(Vogt, John) (Entered: 07/09/2013)

* * *

08/09/2013 89 AMENDED ANSWER to Complaint – (Discovery),,,, 1 filed by Union Defendants Saddleback Valley Educators Association, National Education Association, California Teachers Association, Associated Chino Teachers, Santa Ana Educators Association Inc, Orange Unified Education Association Inc, Teachers Association of Norwalk La Mirada Area, Sanger Unified Teachers Association, National Education Association Jurupa, Savanna District Teachers Association CTA NEA, Kern High School Teachers Association, San Luis Obispo County Education Association. (Attachments: # 1 Exhibit A)(Collins, Jeremiah) (Entered: 08/09/2013)

08/09/2013 90 MEMORANDUM in Opposition to MOTION for Judgment on the Pleadings as to Pleadings 81 filed by Defendants Associated Chino Teachers, California Teachers Association, Kern High School Teachers Association, National Education Association, National Education Association Jurupa, Orange Unified Education Association Inc, Saddleback Valley Educators Association, San Luis Obispo County Education Association, Sanger Unified Teachers Association, Santa Ana

Educators Association Inc, Savanna District Teachers Association CTA NEA, Teachers Association of Norwalk La Mirada Area. (Collins, Jeremiah) (Entered: 08/09/2013)

08/13/2013 91 REPLY in Support of MOTION for Judgment on the Pleadings as to Pleadings 81 filed by Plaintiffs Christian Educators Association International, Karen Cuen, Harlan Elrich, Jelena Figueroa, Rebecca Friedrichs, Jose Manso, Kevin Roughton, Peggy Searcy, George W White Jr, Scott Wilford, Irene Zavala. (Vogt, John) (Entered: 08/13/2013)

* * *

09/19/2013 95 Attorney General's NOTICE OF MOTION AND MOTION to Intervene for the purpose of defending the constitutionality of State Statues filed by Kamala D. Harris. Motion set for hearing on 11/8/2013 at 02:30 PM before Judge Josephine Staton Tucker. Lodged proposed order and proposed order. (twdb) (Entered: 09/23/2013)

* * *

11/25/2013 104 OPPOSITION to MOTION for Judgment on the Pleadings as to Pleadings 81 filed by Miscellaneous Kamala D. Harris. (Gordon, Alexandra) (Entered: 11/25/2013)

11/26/2013 105 REPLY TO *ATTORNEY GENERAL'S RESPONSE TO PLAINTIFF'S MO-*

TION FOR JUDGMENT ON THE PLEADINGS filed by Plaintiffs Christian Educators Association International, Karen Cuen, Harlan Elrich, Jelena Figueroa, Rebecca Friedrichs, Jose Manso, Kevin Roughton, Peggy Searcy, George W White Jr, Scott Wilford, Irene Zavala. (Vogt, John) (Entered: 11/26/2013)

12/05/2013 106 MINUTES (IN CHAMBERS): ORDER by Judge Josephine L. Staton: granting 81 Motion for Judgment on the Pleadings and vacating 71 Motion for Preliminary Injunction; MD JS-6. Case Terminated. (twdb) (Entered: 12/06/2013)

12/12/2013 107 NOTICE OF APPEAL to the 9th CCA filed by Plaintiffs Christian Educators Association International, Karen Cuen, Harlan Elrich, Jelena Figueroa, Rebecca Friedrichs, Jose Manso, Kevin Roughton, Peggy Searcy, George W White Jr, Scott Wilford, Irene Zavala. Appeal of Order on Motion for Preliminary Injunction, Order on Motion for Judgment on the Pleadings 106 (Appeal fee FEE NOT PAID.) (Vogt, John) (Entered: 12/12/2013)

* * *

11/18/2014 113 ORDER from 9th CCA filed re: Notice of Appeal to 9th Circuit Court of Appeals, 107 filed by Harlan Elrich, Jose

Manso, Rebecca Friedrichs, George W White Jr, Christian Educators Association International, Jelena Figueroa, Irene Zavala, Scott Wilford, Karen Cuen, Peggy Searcy, Kevin Roughton, CCA # 13-57095. The court has reviewed appellants' motion for summary affirmance and appellees' opposition thereto, the record, and the briefing filed in this appeal. Accordingly, we summarily affirm the district court's judgment. Order received in this district on 11/18/14. (car) (Entered: 11/20/2014)

12/11/2014 114 MANDATE of 9th CCA filed re: Notice of Appeal to 9th Circuit Court of Appeals, 107 , CCA # 13-57095. The decision of the District Court is affirmed. Mandate received in this district on 12/11/14. (mat) (Entered: 12/17/2014)

* * *

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

REBECCA FRIEDRICHS; et al., Plaintiffs Appellants, v. CALIFORNIA TEACHERS ASSOCIATION; et al., Defendants - Appellees, KAMALA D. HARRIS, Attorney General, Defendant - Intervenor.	No. 13-57095 D.C. No. 8:13-cv-00676-JLS-CW Central District of California, Santa Ana ORDER

Before: CANBY, CLIFTON, and OWENS, Circuit Judges.

The court has reviewed appellants' motion for summary affirmance and appellees' opposition thereto, the record, and the briefing filed in this appeal. Upon review, the court finds that the questions presented in this appeal are so insubstantial as not to require further argument, because they are governed by controlling Supreme Court and Ninth Circuit precedent. *See United States v. Hooton*, 693 F.2d 857, 858 (9th Cir. 1982) (per curiam) (stating standard for summary affirmance); *Abood v. Detroit Bd. Of Ed.*, 431 U.S. 209, 232 (1977) (allowing public-sector agency shop); *Mitchell v. L.A. Unified Sch. Dist.*, 963 F.2d 258, 263 (9th Cir. 1992) (allowing opt-out regime).

Accordingly, we summarily affirm the district court's judgment.

AFFIRMED.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

CIVIL MINUTES – GENERAL

Case No. SACV 13-676-JLS (CWx) Date: December 5, 2013
Title: Rebecca Friedrichs, et al. v. California Teachers Ass'n, et al.

Present: **Honorable JOSEPHINE L. STATON, UNITED STATES DISTRICT JUDGE**

Terry Guerrero	N/A
Deputy Clerk	Court Reporter

ATTORNEYS PRESENT FOR PLAINTIFF:	ATTORNEYS PRESENT FOR DEFENDANT:
Not Present	Not Present

PROCEEDINGS: (IN CHAMBERS) ORDER GRANTING MOTION FOR JUDGMENT ON THE PLEADINGS (DOC. 81) AND VACATING MOTION FOR PRELIMINARY INJUNCTION (DOC. 71)

Before the Court is Plaintiffs' Motion for Judgment on the Pleadings, requesting that judgment be entered in favor of Defendants. (Mot., Doc. 81, "Motion".) Defendants filed an opposition, and Plaintiffs replied. (Def. Opp'n, Doc. 90; Reply, Doc. 91.) Following an order of certification made pursuant to Federal Rule of Civil Procedure 5.1(b) and 28 U.S.C.

§ 2403(b), the Government intervened and, on November 25, 2013, filed a response to the Motion. (Docs. 94, 102; Gov't Opp'n., Doc. 104.) Having reviewed the papers and taken the matter under submission, the Court GRANTS Plaintiffs' Motion and enters judgment on the pleadings in favor of Defendants. Plaintiffs' pending Motion for Preliminary Injunction is VACATED as moot. (Doc. 71.)[1]

I. Background

Under California law, a union is allowed to become the exclusive bargaining representative for public school employees in a bargaining unit such as a public school district by submitting proof that a majority of employees in the unit wish to be represented by the union. Cal. Gov't. Code § 3544(a). Once a union becomes the exclusive bargaining representative within a district, it may establish an "agency-shop" arrangement with that district, whereby all employees "shall, as a condition of continued employment, be required either to join the recognized employee organization or pay the fair share service fee." *Id.* § 3546(a). This "agency fee" is usually the same amount as the union dues. (Compl., Doc. 1 ¶ 52.)[2]

California law limits the use of agency fees to activities "germane" to collective bargaining. *Id.* § 3546(b). Each year, unions must estimate the portion of expenses that do not fall into this category for

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[1] Plaintiffs and Defendants stipulated that the Motion for Preliminary Injunction "should be vacated if the Court enters judgment on the pleadings." (Doc. 88 at 1-2.)

[2] When ruling on a motion for judgment on the pleadings, the Court accepts as true the factual allegations in the complaint. *Fleming v. Pickard*, 581 F.3d 922, 925 (9th Cir. 2009).

the coming year, based on the non-chargeable portion of a recent year's fee. Regs. of Cal. Pub. Emp't. Relations Bd. § 32992(b)(1). After the union has made this determination, it must send a notice to all non-members setting forth both the agency fee and the non-chargeable portions of the fee. Cal. Gov't. Code § 3546(a); Regs. of Cal. Pub. Emp't Relations Bd. § 32992(a). If non-members do not wish to pay the non-chargeable portions of the fee—i.e., the portions of the fee going to activities not "germane" to collective bargaining—they must notify the union after receipt of the notice. Regs. of Cal. Pub. Emp't. Relations Bd. § 32993. Non-members who provide this notification receive a rebate or fee-reduction for that year. Cal. Gov't Code § 3546(a).

Plaintiffs are (1) public school teachers who have resigned their union membership and object to paying the non-chargeable portion of their agency fee each year, and (2) the Christian Educators Association International, a non-profit religious organization "specifically serving Christians working in public schools." (Compl. ¶¶ 11-20.) Defendants are (1) local unions for the districts in which the individual plaintiffs are employed as teachers and the superintendents of those local unions, (2) the National Education Association, and (3) the California Teachers Association. (*Id.* ¶¶ 22-23, 34-44.)

Plaintiffs claim that "[b]y requiring Plaintiffs to make any financial contributions in support of any union, California's agency shop arrangement violates their rights to free speech and association under the First and Fourteenth Amendments to the United States Constitution," and that "[b]y requiring Plaintiffs to undergo 'opt out' procedures to avoid making

financial contributions in support of 'non-chargeable' union expenditures, California's agency-shop arrangement violates their rights to free speech and association under the First and Fourteenth Amendments to the United States Constitution." (*Id.* ¶¶ 89, 92.)

Plaintiffs move for judgment on the pleadings, but in Defendants' favor. Although Plaintiffs are not clear on whether they are asking the Court to grant or deny their Motion, Plaintiffs are clear that they are asking the Court to enter judgment in favor of Defendants. (*Compare* Mot. at 1 ("Plaintiffs concede that this Court should deny their Motion and, instead, grant judgment on the pleadings to Defendants" (emphasis removed)) *with* Proposed Order, Doc. 81-1 at 1 (requesting that the Motion be "GRANTED in favor of Defendants.").) Accordingly, the Court construes the Motion such that granting the Motion would allow judgment to be entered in favor of Defendants.

II. Legal *Standard*

"After the pleadings are closed—but early enough not to delay trial—a party may move for judgment on the pleadings." Fed. R. Civ. P. 12(c). Motions for judgment on the pleadings are governed by the same standards applicable to Rule 12(b)(6) motions to dismiss. *Cafasso v. General Dynamics C4 Systems*, 637 F.3d 1047, 1054, n. 4 (9th Cir. 2011). The Court "must accept all factual allegations in the complaint as true and construe them in the light most favorable to the non-moving party." *Fleming v. Pickard*, 581 F.3d 922, 925 (9th Cir. 2009). "Judgment on the pleadings is proper when the moving party clearly

establishes on the face of the pleadings that no material issue of fact remains to be resolved and that it is entitled to judgment as a matter of law." *Hal Roach Studios v. Richard Feiner & Co.*, 896 F.2d 1542, 1550 (9th Cir. 1989).

III. Discussion

Plaintiffs urge the Court to enter judgment on the pleadings in favor of Defendants, contending that Plaintiffs' claims are "presently foreclosed by" *Abood v. Detroit Board of Education*, 431 U.S. 209 (1977) and *Mitchell v. Los Angeles Unified School District*, 963 F.2d 258 (9th Cir. 1992). (Mot. at 2.)[3] In *Abood*, the Supreme Court upheld the constitutional validity of compelling employees to support a particular collective bargaining representative and rejected the notion that the only funds from nonunion members that a union constitutionally could use for political or ideological causes were those funds that the nonunion members affirmatively consented to pay. 431 U.S. at 222, 225, 235-36. The *Mitchell* court, following *Abood*, held that the First Amendment did not require an "opt in" procedure for nonunion members to pay fees equal to the full amount of union dues under an agency shop arrangement. *See* 963 F.2d at 260-62 (citing and discussing the "long line of Supreme Court cases" that support the constitutional validity of an opt-out system based on a nonmember's expressed objection). The parties do not dispute that *Abood* and *Mitchell* foreclose Plaintiffs' claims, and

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[3] Plaintiffs' ultimate aim—and thus their request for judgment on the pleadings in favor of Defendants—is to have these precedents overturned on appeal. (*See* Mot. at 9; *see also* Motion for Preliminary Injunction, Doc. 71 at 1.)

the Court agrees that these decisions are controlling. (*See* Mot. at 2; Def. Opp'n at 14; Gov't Opp'n at 4-5, 9.)

Accordingly, the Court grants Plaintiffs' Motion and enters judgment on the pleadings in favor of Defendants.

IV. Conclusion

For the foregoing reasons, Plaintiffs' Motion for Judgment on the Pleadings is GRANTED. Judgment is entered in favor of Defendants. Plaintiffs' Motion for Preliminary Injunction is VACATED as moot.

Initials of Preparer: tg

CALIFORNIA EDUCATION CODE

CAL. EDUC. CODE § 35160—Authority of Governing Boards Commencing January 1, 1976

On and after January 1, 1976, the governing board of any school district may initiate and carry on any program, activity, or may otherwise act in any manner which is not in conflict with or inconsistent with, or preempted by, any law and which is not in conflict with the purposes for which school districts are established.

CAL. EDUC. CODE § 44929.21—Districts with Daily Attendance of 250 or More; Permanent Employee Classification; Notice of Reelection

* * *

(b) Every employee of a school district of any type or class having an average daily attendance of 250 or more who, after having been employed by the district for two complete consecutive school years in a position or positions requiring certification qualifications, is reelected for the next succeeding school year to a position requiring certification qualifications shall, at the commencement of the succeeding school year be classified as and become a permanent employee of the district.

The governing board shall notify the employee, on or before March 15 of the employee's second complete consecutive school year of employment by the district in a position or positions requiring certification qualifications, of the decision to reelect or not reelect the employee for the next succeeding school year to the position. In the event that the governing board does not give notice pursuant to this section on or before March 15, the employee

shall be deemed reelected for the next succeeding school year.

This subdivision shall apply only to probationary employees whose probationary period commenced during the 1983-84 fiscal year or any fiscal year thereafter.

* * *

CAL. EDUC. CODE § 44934—Charges and Notice of Intention to Dismiss or Suspend; Additional Application of Section

* * *

(b) Upon the filing of written charges, duly signed and verified by the person filing them, with the governing board of the school district, or upon a written statement of charges formulated by the governing board, charging that there exists cause, as specified in Section 44932 or 44933, for the dismissal or suspension of a permanent employee of the district, the governing board may, upon majority vote, except as provided in this article if it deems the action necessary, give notice to the permanent employee of its intention to dismiss or suspend him or her at the expiration of 30 days from the date of service of the notice, unless the employee demands a hearing as provided in this article. Suspension proceedings may be initiated pursuant to this section only if the governing board has not adopted a collective bargaining agreement pursuant to subdivision (b) of Section 3543.2 of the Government Code.

(c) Any written statement of charges shall specify instances of behavior and the acts or omissions constituting the charge so that the employee will

be able to prepare his or her defense. It shall, where applicable, state the statutes and rules that the employee is alleged to have violated, and it shall also set forth the facts relevant to each charge.

* * *

CAL. EDUC. CODE § 44938—Unprofessional Conduct or Unsatisfactory Performance; Notice of Charges

* * *

(b) The governing board of any school district shall not act upon any charges of unsatisfactory performance unless it acts in accordance with the provisions of paragraph (1) or (2):

(1) At least 90 calendar days prior to the date of the filing, the board or its authorized representative has given the employee against whom the charge is filed, written notice of the unsatisfactory performance, specifying the nature thereof with such specific instances of behavior and with such particularity as to furnish the employee an opportunity to correct his or her faults and overcome the grounds for the charge. The written notice shall include the evaluation made pursuant to Article 11 (commencing with Section 44660) of Chapter 3, if applicable to the employee.

(2) The governing board may act during the time period composed of the last one-fourth of the schooldays it has scheduled for purposes of computing apportionments in any fiscal year if, prior to the beginning of that time period, the board or its authorized representative has given the em-

ployee against whom the charge is filed, written notice of the unsatisfactory performance, specifying the nature thereof with such specific instances of behavior and with such particularity as to furnish the employee an opportunity to correct his or her faults and overcome the grounds for the charge. The written notice shall include the evaluation made pursuant to Article 11 (commencing with Section 44660) of Chapter 3, if applicable to the employee.

* * *

CAL. EDUC. CODE § 44944—Conduct of Hearing; Decision; Expenses and Costs

(a) This section shall apply only to dismissal or suspension proceedings initiated pursuant to Section 44934.

(b)(1)(A) In a dismissal or suspension proceeding initiated pursuant to Section 44934, if a hearing is requested by the employee, the hearing shall be commenced within six months from the date of the employee's demand for a hearing. A continuance shall not extend the date for the commencement of the hearing more than six months from the date of the employee's request for a hearing, except for extraordinary circumstances, as determined by the administrative law judge. If extraordinary circumstances are found that extend the date for the commencement of the hearing, the deadline for concluding the hearing and closing the record pursuant to this subdivision shall be extended for a period of time equal to the continuance. The hearing date shall be established after consultation with the employee and the governing board of the

school district, or their representatives, except that if the parties are not able to reach an agreement on a date, the Office of Administrative Hearings shall unilaterally set a date in compliance with this section. The hearing shall be completed by a closing of the record within seven months of the date of the employee's demand for a hearing. A continuance shall not extend the date for the close of the record more than seven months from the date of the employee's request for a hearing, except for good cause, as determined by the administrative law judge.

(B) Where substantial progress has been made in completing the previously scheduled days of the hearing within the seven-month period but the hearing cannot be completed, for good cause shown, within the seven-month period, the period for completing the hearing may be extended by the presiding administrative law judge. If the administrative law judge grants a continuance under this subparagraph, he or she shall establish a reasonable timetable for the completion of the hearing and the closing of the record. The hearing shall be initiated and conducted, and a decision made, in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the Commission on Professional Competence shall have all of the power granted to an agency pursuant to that chapter, except as described in this article.

(2)(A) A witness shall not be permitted to testify at the hearing except upon oath or affirmation.

No testimony shall be given or evidence introduced relating to matters that occurred more than four years before the date of the filing of the notice, except allegations of an act described in Section 44010 of this code or Sections 11165.2 to 11165.6, inclusive, of the Penal Code.

(B) Evidence of records regularly kept by the governing board of the school district concerning the employee may be introduced, but no decision relating to the dismissal or suspension of an employee shall be made based on charges or evidence of any nature relating to matters occurring more than four years before the filing of the notice, except allegations of an act described in Section 44010 of this code or Sections 11165.2 to 11165.6, inclusive, of the Penal Code.

(c)(1) The hearing provided for in this section shall be conducted by a Commission on Professional Competence, unless the parties submit a statement in writing to the Office of Administrative Hearings, indicating that both parties waive the right to convene a Commission on Professional Competence and stipulate to having the hearing conducted by a single administrative law judge. If the parties elect to waive a hearing before the Commission on Professional Competence, the hearing shall be initiated and conducted, and a decision made, in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the administrative law judge conducting the hearing shall have all the powers granted to a Commission on Professional Compe-

tence pursuant to that chapter, except as described in this article.

* * *

(d)(1) The decision of the Commission on Professional Competence shall be made by a majority vote, and the commission shall prepare a written decision containing findings of fact, determinations of issues, and a disposition that shall be, solely, one of the following:

(A) That the employee should be dismissed.

(B) That the employee should be suspended for a specific period of time without pay.

(C) That the employee should not be dismissed or suspended.

(2) The decision of the Commission on Professional Competence that the employee should not be dismissed or suspended shall not be based on nonsubstantive procedural errors committed by the school district or governing board of the school district unless the errors are prejudicial errors.

(3) The Commission on Professional Competence shall not have the power to dispose of the charge of dismissal by imposing probation or other alternative sanctions. The imposition of suspension pursuant to subparagraph (B) of paragraph (1) shall be available only in a suspension proceeding authorized pursuant to subdivision (b) of Section 44932 or Section 44933.

(4) The decision of the Commission on Professional Competence shall be deemed to be the fi-

nal decision of the governing board of the school district.

(5) The governing board of the school district may adopt from time to time rules and procedures not inconsistent with this section as may be necessary to effectuate this section.

(6) The governing board of the school district and the employee shall have the right to be represented by counsel.

* * *

(f)(1) If the Commission on Professional Competence determines that the employee should be dismissed or suspended, the governing board of the school district and the state shall share equally the expenses of the hearing, including the cost of the administrative law judge. The state shall pay any costs incurred under paragraphs (2) and (3) of subdivision (e), the reasonable expenses, as determined by the administrative law judge, of the member selected by the governing board of the school district and the member selected by the employee, including, but not limited to, payments or obligations incurred for travel, meals, and lodging, and the cost of the substitute or substitutes, if any, for the member selected by the governing board of the school district and the member selected by the employee. The Controller shall pay all claims submitted pursuant to this paragraph from the General Fund, and may prescribe reasonable rules, regulations, and forms for the submission of the claims. The employee and the governing board of the school district shall pay their own attorney's fees.

(2) If the Commission on Professional Competence determines that the employee should not be dismissed or suspended, the governing board of the school district shall pay the expenses of the hearing, including the cost of the administrative law judge, any costs incurred under paragraphs (2) and (3) of subdivision (e), the reasonable expenses, as determined by the administrative law judge, of the member selected by the governing board of the school district and the member selected by the employee, including, but not limited to, payments or obligations incurred for travel, meals, and lodging, the cost of the substitute or substitutes, if any, for the member selected by the governing board of the school district and the member selected by the employee, and reasonable attorney's fees incurred by the employee.

(3) As used in this section, "reasonable expenses" shall not be deemed "compensation" within the meaning of subdivision (e).

(4) If either the governing board of the school district or the employee petitions a court of competent jurisdiction for review of the decision of the Commission on Professional Competence the payment of expenses to members of the commission required by this subdivision shall not be stayed.

(5) If the decision of the Commission on Professional Competence is reversed or vacated by a court of competent jurisdiction, either the state, having paid the commission members' expenses, shall be entitled to reimbursement from the governing board of the school district for those ex-

penses, or the governing board of the school district, having paid the expenses, shall be entitled to reimbursement from the state. If either the governing board of the school district or the employee petitions a court of competent jurisdiction for review of the decision to overturn the administrative law judge's decision, the payment of the expenses of the hearing, including the cost of the administrative law judge required by this paragraph, shall be stayed until no further appeal is sought, or all appeals are exhausted.

* * *

CAL. EDUC. CODE § 44955—Reduction in Number of Employees

(a) No permanent employee shall be deprived of his or her position for causes other than those specified in Sections 44907 and 44923, and Sections 44932 to 44947, inclusive, and no probationary employee shall be deprived of his or her position for cause other than as specified in Sections 44948 to 44949, inclusive.

(b) Whenever in any school year the average daily attendance in all of the schools of a district for the first six months in which school is in session shall have declined below the corresponding period of either of the previous two school years, whenever the governing board determines that attendance in a district will decline in the following year as a result of the termination of an interdistrict tuition agreement as defined in Section 46304, whenever a particular kind of service is to be reduced or discontinued not later than the beginning of the following school year, or whenever the amendment of

state law requires the modification of curriculum, and when in the opinion of the governing board of the district it shall have become necessary by reason of any of these conditions to decrease the number of permanent employees in the district, the governing board may terminate the services of not more than a corresponding percentage of the certificated employees of the district, permanent as well as probationary, at the close of the school year. Except as otherwise provided by statute, the services of no permanent employee may be terminated under the provisions of this section while any probationary employee, or any other employee with less seniority, is retained to render a service which said permanent employee is certificated and competent to render.

In computing a decline in average daily attendance for purposes of this section for a newly formed or reorganized school district, each school of the district shall be deemed to have been a school of the newly formed or reorganized district for both of the two previous school years.

As between employees who first rendered paid service to the district on the same date, the governing board shall determine the order of termination solely on the basis of needs of the district and the students thereof. Upon the request of any employee whose order of termination is so determined, the governing board shall furnish in writing no later than five days prior to the commencement of the hearing held in accordance with Section 44949, a statement of the specific criteria used in determining the order of termination and the application of the criteria in ranking each employee relative to

the other employees in the group. This requirement that the governing board provide, on request, a written statement of reasons for determining the order of termination shall not be interpreted to give affected employees any legal right or interest that would not exist without such a requirement.

(c) Notice of such termination of services shall be given before the 15th of May in the manner prescribed in Section 44949, and services of such employees shall be terminated in the inverse of the order in which they were employed, as determined by the board in accordance with the provisions of Sections 44844 and 44845. In the event that a permanent or probationary employee is not given the notices and a right to a hearing as provided for in Section 44949, he or she shall be deemed reemployed for the ensuing school year.

The governing board shall make assignments and reassignments in such a manner that employees shall be retained to render any service which their seniority and qualifications entitle them to render. However, prior to assigning or reassigning any certificated employee to teach a subject which he or she has not previously taught, and for which he or she does not have a teaching credential or which is not within the employee's major area of postsecondary study or the equivalent thereof, the governing board shall require the employee to pass a subject matter competency test in the appropriate subject.

(d) Notwithstanding subdivision (b), a school district may deviate from terminating a certificated

employee in order of seniority for either of the following reasons:

(1) The district demonstrates a specific need for personnel to teach a specific course or course of study, or to provide services authorized by a services credential with a specialization in either pupil personnel services or health for a school nurse, and that the certificated employee has special training and experience necessary to teach that course or course of study or to provide those services, which others with more seniority do not possess.

(2) For purposes of maintaining or achieving compliance with constitutional requirements related to equal protection of the laws.

CAL. EDUC. CODE § 45060—Deductions for Organization Dues

Except as provided in Section 45061, the governing board of each school district, when drawing an order for the salary payment due to a certificated employee of the district, shall with or without charge reduce the order by the amount which it has been requested in a revocable written authorization by the employee to deduct for the purpose of paying the dues of the employee for membership in any local professional organization or in any statewide professional organization, or in any other professional organization affiliated or otherwise connected with a statewide professional organization which authorizes the statewide organization to receive membership dues on its behalf and for the purpose of paying his or her pro rata share of the costs incurred by the district in making the deduction. No charge shall exceed the actual cost to the

district of the dues deduction. Any revocation of a written authorization shall be in writing and shall be effective commencing with the next pay period.

Unless otherwise provided in an agreement negotiated pursuant to Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code, the governing board shall, no later than the 10th day of each pay period for certificated employees, draw its order upon the funds of the district in favor of the organization designated by the employee for an amount equal to the total of the dues deductions made with respect to that organization for the previous pay period and shall transmit the total amount to that organization no later than the 15th day of each pay period for certificated employees. When timely transmittal of dues payments by a county is necessary for a school district to comply with the provisions of this section, the county shall act in a timely manner. If the employees of a district do not authorize the board to make a deduction to pay their pro rata share of the costs of making deductions for the payment of dues, the board shall deduct from the amount transmitted to the organization on whose account the dues payments were deducted the actual costs of making the deduction.

The revocable written authorization shall remain in effect until expressly revoked in writing by the employee. Whenever there is a change in the amount required for the payment to the organization, the employee organization shall provide the employee with adequate and necessary data on the change at a time sufficiently prior to the effective date of the change to allow the employee an opportunity to revoke the written authorization, if desired. The em-

ployee organization shall provide the public school employer with notification of the change at a time sufficiently prior to the effective date of the change to allow the employer an opportunity to make the necessary adjustments and with a copy of the notification of the change which has been sent to all concerned employees.

The governing board shall not require the completion of a new deduction authorization when a dues change has been effected or at any other time without the express approval of the concerned employee organization.

CAL. EDUC. CODE § 45061—Deductions for Organization Service Fees

The governing board of each school district when drawing an order for the salary or wage payment due to a certificated employee of the district shall, with or without charge, reduce the order for the payment of service fees to the certified or recognized organization as required by an organizational security arrangement between the exclusive representative and a public school employer as provided under Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code. However, the organizational security arrangement shall provide that any employee may pay service fees directly to the certified or recognized employee organization in lieu of having such service fees deducted from the salary or wage order.

If the employees of a district do not authorize the board to make a deduction to pay their pro rata share of the costs of making deductions for the payment of service fees to the certificated or recognized organiza-

tion, the board shall deduct from the amount transmitted to the organization on whose account the payments were deducted the actual costs, if any, of making the deduction. No charge shall exceed the actual cost to the district of the deduction. These actual costs shall be determined by the board and shall include startup and ongoing costs.

CAL. EDUC. CODE § 45061.5—Transmittal to Employee Organization of Dues or Fees Collected or Deducted from Salary of Certificated Employee; Time Frame; Cause of Action for Failure to Transmit Dues or Fees; Attorney Fees; Waiver

(a) Notwithstanding any other law, the governing board of a school district that collects or deducts dues, agency fees, fair share fees, or any other fee or amount of money from the salary of a certificated employee for the purpose of transmitting the money to an employee organization shall transmit the money to the employee organization within 15 days of issuing the paycheck containing the deduction to the employee.

(b)(1) This section does not limit the right of an employee organization or affected employee to sue for a failure of the employer to transmit dues or fees pursuant to this section.

(2) In an action brought for a violation of subdivision (a), the court may award reasonable attorney fees and costs to the prevailing party if any party to the action requests attorney fees and costs.

(c) A school district or county office of education may not request, and the State Board of Education may not grant, a waiver of compliance with this section.

CAL. EDUC. CODE § 45168—Deductions for Dues of Employee Organization; Direct Payment of Service Fees

(a) Except as provided in subdivision (b), the governing board of each school district when drawing an order for the salary or wage payment due to a classified employee of the district may, without charge, reduce the order by the amount which it has been requested in a revocable written authorization by the employee to deduct for the payment of dues in, or for any other service provided by, any bona fide organization, of which he is a member, whose membership consists, in whole or in part, of employees of such district, and which has as one of its objectives improvements in the terms or conditions of employment for the advancement of the welfare of such employees.

The revocable written authorization shall remain in effect until expressly revoked in writing by the employee. Whenever there is an increase in the amount required for such payment to the organization, the employee organization shall provide the employee with adequate and necessary data on such increase at a time sufficiently prior to the effective date of the increase to allow the employee an opportunity to revoke the written authorization, if desired. The employee organization shall provide the public school employer with notification of the increase at a time sufficiently prior to the effective date of the increase to allow the employer an opportunity to make the necessary changes and with a copy of the notification of the increase which has been sent to all concerned employees.

Upon receipt of a properly signed authorization for payroll deductions by a classified employee pursuant to this section, the governing board shall reduce such employee's pay warrant by the designated amount in the next pay period following the closing date for receipt of changes in pay warrants.

The governing board shall, on the same designated date of each month, draw its order upon the funds of the district in favor of the organization designated by the employee for an amount equal to the total of the respective deductions made with respect to such organization during the pay period.

The governing board shall not require the completion of a new deduction authorization when a dues increase has been effected or at any other time without the express approval of the concerned employee organization.

(b) The governing board of each school district when drawing an order for the salary or wage payment due to a classified employee of the district may, without charge, reduce the order for the payment of dues to, or for any other service provided by, the certified or recognized organization of which the classified employee is a member, or for the payment of service fees to the certified or recognized organization as required by an organizational security arrangement between the exclusive representative and a public school employer as provided under Chapter 10.7 (commencing with Section 3540) Division 4 of Title 1 of the Government Code. However, the organizational security arrangement shall provide that any employee may pay service fees directly to the certified or recognized employee

organization in lieu of having such service fees deducted from the salary or wage order.

(c) This section shall apply to districts that have adopted the merit system in the same manner and effect as if it were a part of Article 6 (commencing with Section 45240) of this chapter.

CALIFORNIA GOVERNMENT CODE

CAL. GOV'T CODE § 3540—Purpose of Chapter

It is the purpose of this chapter to promote the improvement of personnel management and employer-employee relations within the public school systems in the State of California by providing a uniform basis for recognizing the right of public school employees to join organizations of their own choice, to be represented by the organizations in their professional and employment relationships with public school employers, to select one employee organization as the exclusive representative of the employees in an appropriate unit, and to afford certificated employees a voice in the formulation of educational policy. This chapter shall not supersede other provisions of the Education Code and the rules and regulations of public school employers which establish and regulate tenure or a merit or civil service system or which provide for other methods of administering employer-employee relations, so long as the rules and regulations or other methods of the public school employer do not conflict with lawful collective agreements.

It is the further intention of the Legislature that this chapter shall not restrict, limit, or prohibit the full exercise of the functions of any academic senate or faculty council established by a school district in a community college to represent the faculty in making

recommendations to the administration and governing board of the school district with respect to district policies on academic and professional matters, so long as the exercise of the functions does not conflict with lawful collective agreements.

It is the further intention of the Legislature that any legislation enacted by the Legislature governing employer-employee relations of other public employees shall be incorporated into this chapter to the extent possible. The Legislature also finds and declares that it is an advantageous and desirable state policy to expand the jurisdiction of the board created pursuant to this chapter to cover other public employers and their employees, in the event that this legislation is enacted, and if this policy is carried out, the name of the Educational Employment Relations Board shall be changed to the "Public Employment Relations Board."

CAL. GOV'T CODE § 3540.1—Definitions

* * *

(j) "Public school employee" or "employee" means a person employed by a public school employer except persons elected by popular vote, persons appointed by the Governor of this state, management employees, and confidential employees.

* * *

CAL. GOV'T CODE § 3543—Rights of Public School Employees

(a) Public school employees shall have the right to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations. Public school employees

shall have the right to represent themselves individually in their employment relations with the public school employer, except that once the employees in an appropriate unit have selected an exclusive representative and it has been recognized pursuant to Section 3544.1 or certified pursuant to Section 3544.7, an employee in that unit shall not meet and negotiate with the public school employer. If the exclusive representative of a unit provides notification, as specified by subdivision (a) of Section 3546, public school employees who are in a unit for which an exclusive representative has been selected, shall be required, as a condition of continued employment, to join the recognized employee organization or to pay the organization a fair share services fee, as required by Section 3546. If a majority of the members of a bargaining unit rescind that arrangement, either of the following options shall be applicable:

(1) The recognized employee organization may petition for the reinstatement of the arrangement described in subdivision (a) of Section 3546 pursuant to the procedures in paragraph (2) of subdivision (d) of Section 3546.

(2) The employees may negotiate either of the two forms of organizational security described in subdivision (i) of Section 3540.1.

(b) An employee may at any time present grievances to his or her employer, and have those grievances adjusted, without the intervention of the exclusive representative, as long as the adjustment is reached prior to arbitration pursuant to Sections 3548.5,3548.6, 3548.7, and 3548.8

and the adjustment is not inconsistent with the terms of a written agreement then in effect, provided that the public school employer shall not agree to a resolution of the grievance until the exclusive representative has received a copy of the grievance and the proposed resolution and has been given the opportunity to file a response.

CAL. GOV'T CODE § 3543.1—Rights of Employee Organizations

(a) Employee organizations shall have the right to represent their members in their employment relations with public school employers, except that once an employee organization is recognized or certified as the exclusive representative of an appropriate unit pursuant to Section 3544.1 or 3544.7, respectively, only that employee organization may represent that unit in their employment relations with the public school employer. Employee organizations may establish reasonable restrictions regarding who may join and may make reasonable provisions for the dismissal of individuals from membership.

(b) Employee organizations shall have the right of access at reasonable times to areas in which employees work, the right to use institutional bulletin boards, mailboxes, and other means of communication, subject to reasonable regulation, and the right to use institutional facilities at reasonable times for the purpose of meetings concerned with the exercise of the rights guaranteed by this chapter.

(c) A reasonable number of representatives of an exclusive representative shall have the right to re-

ceive reasonable periods of released time without loss of compensation when meeting and negotiating and for the processing of grievances.

(d) All employee organizations shall have the right to have membership dues deducted pursuant to Sections 45060 and 45168 of the Education Code, until an employee organization is recognized as the exclusive representative for any of the employees in an appropriate unit, and then the deduction as to any employee in the negotiating unit shall not be permissible except to the exclusive representative.

CAL. GOV'T CODE § 3543.2—Scope of Representation; Requests to Meet and Negotiate

(a)(1) The scope of representation shall be limited to matters relating to wages, hours of employment, and other terms and conditions of employment. "Terms and conditions of employment" mean health and welfare benefits as defined by Section 53200, leave, transfer and reassignment policies, safety conditions of employment, class size, procedures to be used for the evaluation of employees, organizational security pursuant to Section 3546, procedures for processing grievances pursuant to Sections 3548.5, 3548.6, 3548.7, and 3548.8, the layoff of probationary certificated school district employees, pursuant to Section 44959.5 of the Education Code, and alternative compensation or benefits for employees adversely affected by pension limitations pursuant to former Section 22316 of the Education Code, as that section read on December 31, 1999, to the extent deemed reasonable

and without violating the intent and purposes of Section 415 of the Internal Revenue Code.

(2) A public school employer shall give reasonable written notice to the exclusive representative of the public school employer's intent to make any change to matters within the scope of representation of the employees represented by the exclusive representative for purposes of providing the exclusive representative a reasonable amount of time to negotiate with the public school employer regarding the proposed changes.

(3) The exclusive representative of certificated personnel has the right to consult on the definition of educational objectives, the determination of the content of courses and curriculum, and the selection of textbooks to the extent those matters are within the discretion of the public school employer under the law.

(4) All matters not specifically enumerated are reserved to the public school employer and may not be a subject of meeting and negotiating, except that this section does not limit the right of the public school employer to consult with any employees or employee organization on any matter outside the scope of representation.

(b) Notwithstanding Section 44944 of the Education Code, the public school employer and the exclusive representative shall, upon request of either party, meet and negotiate regarding causes and procedures for disciplinary action, other than dismissal, including a suspension of pay for up to 15 days, affecting certificated employees. If the public school employer and the exclusive representative

do not reach mutual agreement, Section 44944 of the Education Code shall apply.

(c) Notwithstanding Section 44955 of the Education Code, the public school employer and the exclusive representative shall, upon request of either party, meet and negotiate regarding procedures and criteria for the layoff of certificated employees for lack of funds. If the public school employer and the exclusive representative do not reach mutual agreement, Section 44955 of the Education Code shall apply.

(d) Notwithstanding Section 45028 of the Education Code, the public school employer and the exclusive representative shall, upon request of either party, meet and negotiate regarding the payment of additional compensation based upon criteria other than years of training and years of experience. If the public school employer and the exclusive representative do not reach mutual agreement, Section 45028 of the Education Code shall apply.

(e) Pursuant to Section 45028 of the Education Code, the public school employer and the exclusive representative shall, upon the request of either party, meet and negotiate a salary schedule based on criteria other than a uniform allowance for years of training and years of experience. If the public school employer and the exclusive representative do not reach mutual agreement, the provisions of Section 45028 of the Education Code requiring a salary schedule based upon a uniform allowance for years of training and years of experience shall apply. A salary schedule established

pursuant to this subdivision shall not result in the reduction of the salary of a teacher.

CAL. GOV'T CODE § 3543.3—Negotiations; Parties; Subject Matter

A public school employer or such representatives as it may designate who may, but need not be, subject to either certification requirements or requirements for classified employees set forth in the Education Code, shall meet and negotiate with and only with representatives of employee organizations selected as exclusive representatives of appropriate units upon request with regard to matters within the scope of representation.

CAL. GOV'T CODE § 3544—Request for Recognition; Proof of Majority Support; Notice

(a) An employee organization may become the exclusive representative for the employees of an appropriate unit for purposes of meeting and negotiating by filing a request with a public school employer alleging that a majority of the employees in an appropriate unit wish to be represented by such organization and asking the public school employer to recognize it as the exclusive representative. The request shall describe the grouping of jobs or positions which constitute the unit claimed to be appropriate and shall be based upon majority support on the basis of current dues deduction authorizations or other evidence such as notarized membership lists, or membership cards, or petitions designating the organization as the exclusive representative of the employees. Notice of any such request shall immediately be posted conspicuously on all employee bulletin boards in each facility of

the public school employer in which members of the unit claimed to be appropriate are employed.

(b) The employee organization shall submit proof of majority support to the board. The information submitted to the board shall remain confidential and not be disclosed by the board. The board shall obtain from the employer the information necessary for it to carry out its responsibilities pursuant to this section and shall report to the employee organization and the public school employer as to whether the proof of majority support is adequate.

CAL. GOV'T CODE § 3544.1—Grant of Request for Recognition; Exceptions

The public school employer shall grant a request for recognition filed pursuant to Section 3544, unless any of the following apply:

(a) The public school employer doubts the appropriateness of a unit.

(b) Another employee organization either files with the public school employer a challenge to the appropriateness of the unit or submits a competing claim of representation within 15 workdays of the posting of notice of the written request. The claim shall be evidenced by current dues deductions authorizations or other evidence such as notarized membership lists, or membership cards, or petitions signed by employees in the unit indicating their desire to be represented by the organization. The evidence shall be submitted to the board, and shall remain confidential and not be disclosed by the board. The board shall obtain from the employer the information necessary for it to carry out its responsibilities pursuant to this section and shall

report to the employee organizations seeking recognition and to the public school employer as to the adequacy of the evidence. If the claim is evidenced by the support of at least 30 percent of the members of an appropriate unit, a question of representation exists and the board shall conduct a representation election pursuant to Section 3544.7, unless subdivision (c) or (d) of this section applies.

(c) There is currently in effect a lawful written agreement negotiated by the public school employer and another employee organization covering any employees included in the unit described in the request for recognition, unless the request for recognition is filed less than 120 days, but more than 90 days, prior to the expiration date of the agreement.

(d) The public school employer has, within the previous 12 months, lawfully recognized another employee organization as the exclusive representative of any employees included in the unit described in the request for recognition.

CAL. GOV'T CODE § 3544.3—Representation Election; Petition; Notice; Ballot

If, by January 1 of any school year, no employee organization has made a claim of majority support in an appropriate unit pursuant to Section 3544, a majority of employees of an appropriate unit may submit to a public school employer a petition signed by at least a majority of the employees in the appropriate unit requesting a representation election. An employee may sign such a petition though not a member of any employee organization.

Upon the filing of such a petition, the public school employer shall immediately post a notice of such re-

quest upon all employee bulletin boards at each school or other facility in which members of the unit claimed to be appropriate are employed.

Any employee organization shall have the right to appear on the ballot if, within 15 workdays after the posting of such notice, it makes the showing of interest required by subdivision (b) of Section 3544.1.

Immediately upon expiration of the 15-workday period following the posting of the notice, the public school employer shall transmit to the board the petition and the names of all employee organizations that have the right to appear on the ballot.

CAL. GOV'T CODE § 3544.5—Investigations; Petitions; Selection of Exclusive Representative; Appropriateness of Unit

A petition may be filed with the board, in accordance with its rules and regulations, requesting it to investigate and decide the question of whether employees have selected or wish to select an exclusive representative or to determine the appropriateness of a unit, by:

(a) A public school employer alleging that it doubts the appropriateness of the claimed unit; or

(b) An employee organization alleging that it has filed a request for recognition as an exclusive representative with a public school employer and that the request has been denied or has not been acted upon within 30 days after the filing of the request; or

(c) An employee organization alleging that it has filed a competing claim of representation pursuant to subdivision (b) of Section 3544.1; or

(d) An employee organization alleging that the employees in an appropriate unit no longer desire a particular employee organization as their exclusive representative, provided that such petition is supported by evidence of support such as notarized membership lists, cards, or petitions from 30 percent of the employees in the negotiating unit indicating support for another organization or lack of support for the incumbent exclusive representative. Such evidence of support shall be submitted to the board, and shall remain confidential and not be disclosed by the board. The board shall obtain from the employer the information necessary for it to carry out its responsibilities pursuant to this section and shall report to the employee organizations seeking recognition and to the public school employer as to the adequacy of the evidence of support.

CAL. GOV'T CODE § 3544.7—Investigations or Hearings; Petition Questions; Election; Dismissal of Petition

(a) Upon receipt of a petition filed pursuant to Section 3544.3 or 3544.5, the board shall conduct inquiries and investigations or hold any hearings it deems necessary in order to decide the questions raised by the petition. The determination of the board may be based upon the evidence adduced in the inquiries, investigations, or hearing. However, if the board finds on the basis of the evidence that a question of representation exists, or a question of representation exists pursuant to subdivision (b) of Section 3544.1, it shall order that an election be conducted by secret ballot and it shall certify the results of the election on the basis of which ballot

choice received a majority of the valid votes cast. There shall be printed on each ballot the statement: "no representation." No voter shall record more than one choice on his or her ballot. Any ballot upon which there is recorded more than one choice shall be void and shall not be counted for any purpose. If at any election no choice on the ballot receives a majority of the votes cast, a runoff election shall be conducted. The ballot for the runoff election shall provide for a selection between the two choices receiving the largest and second largest number of valid votes cast in the election.

* * *

CAL. GOV'T CODE § 3544.9—Exclusive Representative; Duty

The employee organization recognized or certified as the exclusive representative for the purpose of meeting and negotiating shall fairly represent each and every employee in the appropriate unit.

CAL. GOV'T CODE § 3546—Member of Recognized Employee Organization or Payment of Fair Share Service Fee; Condition of Employment

(a) Notwithstanding any other provision of law, upon receiving notice from the exclusive representative of a public school employee who is in a unit for which an exclusive representative has been selected pursuant to this chapter, the employer shall deduct the amount of the fair share service fee authorized by this section from the wages and salary of the employee and pay that amount to the employee organization. Thereafter, the employee shall, as a condition of continued employment, be required either to join the recognized

employee organization or pay the fair share service fee. The amount of the fee shall not exceed the dues that are payable by members of the employee organization, and shall cover the cost of negotiation, contract administration, and other activities of the employee organization that are germane to its functions as the exclusive bargaining representative. Agency fee payers shall have the right, pursuant to regulations adopted by the Public Employment Relations Board, to receive a rebate or fee reduction upon request, of that portion of their fee that is not devoted to the cost of negotiations, contract administration, and other activities of the employee organization that are germane to its function as the exclusive bargaining representative.

(b) The costs covered by the fee under this section may include, but shall not necessarily be limited to, the cost of lobbying activities designed to foster collective bargaining negotiations and contract administration, or to secure for the represented employees advantages in wages, hours, and other conditions of employment in addition to those secured through meeting and negotiating with the employer.

(c) The arrangement described in subdivision (a) shall remain in effect unless it is rescinded pursuant to subdivision (d). The employer shall remain neutral, and shall not participate in any election conducted under this section unless required to do so by the board.

(d)(1) The arrangement described in subdivision (a) may be rescinded by a majority vote of all the

employees in the negotiating unit subject to that arrangement, if a request for a vote is supported by a petition containing 30 percent of the employees in the negotiating unit, the signatures are obtained in one academic year. There shall not be more than one vote taken during the term of any collective bargaining agreement in effect on or after January 1, 2001.

(2) If the arrangement described in subdivision (a) is rescinded pursuant to paragraph (1), a majority of all employees in the negotiating unit may request that the arrangement be reinstated. That request shall be submitted to the board along with a petition containing the signatures of at least 30 percent of the employees in the negotiating unit. The vote shall be conducted at the worksite by secret ballot, and shall be conducted no sooner than one year after the rescission of the arrangement under this subdivision.

(3) If the board determines that the appropriate number of signatures have been collected, it shall conduct the vote to rescind or reinstate in a manner that it shall prescribe in accordance with this subdivision.

(4) The cost of conducting an election under this subdivision to reinstate the organizational security arrangement shall be borne by the petitioning party and the cost of conducting an election to rescind the arrangement shall be borne by the board.

* * *

CAL. GOV'T CODE § 3546.3—Religious Objections to Employee Organizations; Membership Exception; Alternative Fees

Notwithstanding subdivision (i) of Section 3540.1, Section 3546, or any other provision of this chapter, any employee who is a member of a religious body whose traditional tenets or teachings include objections to joining or financially supporting employee organizations shall not be required to join, maintain membership in, or financially support any employee organization as a condition of employment; except that such employee may be required, in lieu of a service fee, to pay sums equal to such service fee either to a nonreligious, nonlabor organization, charitable fund exempt from taxation under Section 501(c) (3) of Title 26 of the Internal Revenue Code, chosen by such employee from a list of at least three such funds, designated in the organizational security arrangement, or if the arrangement fails to designate such funds, then to any such fund chosen by the employee. Either the employee organization or the public school employer may require that proof of such payments be made on an annual basis to the public school employer as a condition of continued exemption from the requirement of financial support to the recognized employee organization. If such employee who holds conscientious objections pursuant to this section requests the employee organization to use the grievance procedure or arbitration procedure on the employee's behalf, the employee organization is authorized to charge the employee for the reasonable cost of using such procedure.

CAL. GOV'T CODE § 3547—Proposals Relating to Representation; Informing Public; Adoption of Proposals and Regulations

(a) All initial proposals of exclusive representatives and of public school employers, which relate to matters within the scope of representation, shall be presented at a public meeting of the public school employer and thereafter shall be public records.

(b) Meeting and negotiating shall not take place on any proposal until a reasonable time has elapsed after the submission of the proposal to enable the public to become informed and the public has the opportunity to express itself regarding the proposal at a meeting of the public school employer.

(c) After the public has had the opportunity to express itself, the public school employer shall, at a meeting which is open to the public, adopt its initial proposal.

(d) New subjects of meeting and negotiating arising after the presentation of initial proposals shall be made public within 24 hours. If a vote is taken on such subject by the public school employer, the vote thereon by each member voting shall also be made public within 24 hours.

(e) The board may adopt regulations for the purpose of implementing this section, which are consistent with the intent of the section; namely that the public be informed of the issues that are being negotiated upon and have full opportunity to express their views on the issues to the public school employer, and to know of the positions of their elected representatives.

CAL. GOV'T CODE § 3547.5—Major Provisions of Exclusive Representative Agreement; Disclosure Format; Certification Relative to the Budget

(a) Before a public school employer enters into a written agreement with an exclusive representative covering matters within the scope of representation, the major provisions of the agreement, including, but not limited to, the costs that would be incurred by the public school employer under the agreement for the current and subsequent fiscal years, shall be disclosed at a public meeting of the public school employer in a format established for this purpose by the Superintendent of Public Instruction.

(b) The superintendent of the school district and chief business official shall certify in writing that the costs incurred by the school district under the agreement can be met by the district during the term of the agreement. This certification shall be prepared in a format similar to that of the reports required pursuant to Sections 42130 and 42131 of the Education Code and shall itemize any budget revision necessary to meet the costs of the agreement in each year of its term.

* * *

CAL. GOV'T CODE § 3548—Declaration of Impasse; Appointment of Mediator; Selection of Procedure; Costs

Either a public school employer or the exclusive representative may declare that an impasse has been reached between the parties in negotiations over matters within the scope of representation and may

request the board to appoint a mediator for the purpose of assisting them in reconciling their differences and resolving the controversy on terms which are mutually acceptable. If the board determines that an impasse exists, it shall, in no event later than five working days after the receipt of a request, appoint a mediator in accordance with such rules as it shall prescribe. The mediator shall meet forthwith with the parties or their representatives, either jointly or separately, and shall take such other steps as he may deem appropriate in order to persuade the parties to resolve their differences and effect a mutually acceptable agreement. The services of the mediator, including any per diem fees, and actual and necessary travel and subsistence expenses, shall be provided by the board without cost to the parties. Nothing in this section shall be construed to prevent the parties from mutually agreeing upon their own mediation procedure and in the event of such agreement, the board shall not appoint its own mediator, unless failure to do so would be inconsistent with the policies of this chapter. If the parties agree upon their own mediation procedure, the cost of the services of any appointed mediator, unless appointed by the board, including any per diem fees, and actual and necessary travel and subsistence expenses, shall be borne equally by the parties.

CAL. GOV'T CODE § 3548.1—Unresolved Controversy; Fact Finding Panel; Selection; Chairperson

(a) If the mediator is unable to effect settlement of the controversy within 15 days after his appointment and the mediator declares that factfinding is appropriate to the resolution of the impasse, either

party may, by written notification to the other, request that their differences be submitted to a factfinding panel. Within five days after receipt of the written request, each party shall select a person to serve as its member of the factfinding panel. The board shall, within five days after such selection, select a chairperson of the factfinding panel. The chairperson designated by the board shall not, without the consent of both parties, be the same person who served as mediator pursuant to Section 3548.

(b) Within five days after the board selects a chairperson of the factfinding panel, the parties may mutually agree upon a person to serve as chairperson in lieu of the person selected by the board.

CAL. GOV'T CODE § 3548.2—Investigations and Hearings by Fact Finding Panel; Access to Records; Considerations in Arriving at Findings

(a) The panel shall, within 10 days after its appointment, meet with the parties or their representatives, either jointly or separately, and may make inquiries and investigations, hold hearings, and take any other steps as it may deem appropriate. For the purpose of the hearings, investigations, and inquiries, the panel shall have the power to issue subpoenas requiring the attendance and testimony of witnesses and the production of evidence. The several departments, commissions, divisions, authorities, boards, bureaus, agencies, and officers of the state, or any political subdivision or agency thereof, including any board of education, shall furnish the panel, upon its request, with all

records, papers and information in their possession relating to any matter under investigation by or in issue before the panel.

(b) In arriving at their findings and recommendations, the factfinders shall consider, weigh, and be guided by all the following criteria:

(1) State and federal laws that are applicable to the employer.

(2) Stipulations of the parties.

(3) The interests and welfare of the public and the financial ability of the public school employer.

(4) Comparison of the wages, hours, and conditions of employment of the employees involved in the factfinding proceeding with the wages, hours, and conditions of employment of other employees performing similar services and with other employees generally in public school employment in comparable communities.

(5) The consumer price index for goods and services, commonly known as the cost of living.

(6) The overall compensation presently received by the employees, including direct wage compensation, vacations, holidays, and other excused time, insurance and pensions, medical and hospitalization benefits; the continuity and stability of employment; and all other benefits received.

(7) Any other facts, not confined to those specified in paragraphs (1) to (6), inclusive, which are normally or traditionally taken into considera-

tion in making the findings and recommendations.

CAL. GOV'T CODE § 3548.3—Findings of Fact and Recommendation of Settlement Terms; Submission to Parties and Public; Costs

(a) If the dispute is not settled within 30 days after the appointment of the panel, or, upon agreement by both parties, within a longer period, the panel shall make findings of fact and recommend terms of settlement, which recommendations shall be advisory only. Any findings of fact and recommended terms of settlement shall be submitted in writing to the parties privately before they are made public. The public school employer shall make such findings and recommendations public within 10 days after their receipt.

* * *

CAL. GOV'T CODE § 3548.5—Final and Binding Arbitration Provisions

A public school employer and an exclusive representative who enter into a written agreement covering matters within the scope of representation may include in the agreement procedures for final and binding arbitration of such disputes as may arise involving the interpretation, application, or violation of the agreement.

REGULATIONS OF THE CALIFORNIA PUBLIC EMPLOYMENT RELATIONS BOARD

REGS. OF CAL. PERB § 32992—Notification of Nonmember

(a) The exclusive representative shall provide annual written notice to each nonmember who will be

required to pay an agency fee. The notice shall include:

(1) The amount of the exclusive representative's dues and the agency fee;

(2) The percentage of the agency fee amount that is attributable to chargeable expenditures and the basis for this calculation;

(3) The amount of the agency fee to be paid by a nonmember who objects to the payment of an agency fee amount that includes nonchargeable expenditures (hereinafter referred to as an "agency fee objector"); and

(4) Procedures for (A) objecting to the payment of an agency fee amount that includes nonchargeable expenditures and (B) challenging the calculation of the nonchargeable expenditures.

(b)(1) The calculation of the chargeable and nonchargeable expenditures will be based on an audited financial report, and the notice will include either a copy of the audited financial report used to calculate the chargeable and nonchargeable expenditures or a certification from the independent auditor that the summarized chargeable and nonchargeable expenditures contained in the notice have been audited and correctly reproduced from the audited report, or

(2) the calculation of the chargeable and nonchargeable expenditures may be based on an unaudited financial report if the exclusive representative's annual revenues are less than $50,000 and a nonmember is afforded a procedure sufficiently reliable to ensure that a non-

member can independently verify that the employee organization spent its money as stated in the notice.

(c) Such written notice shall be sent/distributed to the nonmember either:

(1) At least 30 days prior to collection of the agency fee; or

(2) Concurrent with the initial agency fee collection provided escrow requirements in Section 32995 are met; or

(3) In the case of public school employees, where the agency fee year covers the traditional school year, on or before October 15 of the school year, provided escrow requirements in Section 32995 are met.

REGS. OF CAL. PERB § 32993—Exclusive Representative's Objection Procedure

Each exclusive representative that has an agency fee provision shall administer an Objection Procedure in accordance with the following:

(a) An agency fee objection shall be filed in writing with the designated representative of the exclusive representative.

(b) The procedure shall allow at least 30 days following distribution of the notice required under Section 32992 of these regulations for the filing of an agency fee objection.

REGS. OF CAL. PERB § 32994—Exclusive Representative's Challenge Procedure

(a) An agency fee payer who disagrees with the exclusive representative's determination of the chargeable expenditures contained in the agency

fee amount and who files a timely agency fee challenge with the exclusive representative shall be hereafter known as an "agency fee challenger." An agency fee challenger may file an unfair practice charge that challenges the determination of the chargeable expenditures contained in the agency fee amount; however, no complaint shall issue until the agency fee challenger has first exhausted the Exclusive Representative's Challenge Procedure. No agency fee challenger shall be required to exhaust the Exclusive Representative's Challenge Procedure where it is insufficient on its face.

(b) Each exclusive representative that has an agency fee provision shall administer a Challenge Procedure in accordance with the following:

(1) An agency fee challenge shall be filed in writing with the official designated by the exclusive representative in the annual notice.

(2) The procedure shall allow at least 30 days following distribution of the notice required under Section 32992 of these regulations for the filing of an agency fee challenge.

(3) Upon receipt of an agency fee challenge, the exclusive representative shall within 45 days of the last day for filing a challenge request a prompt hearing regarding the agency fee before an impartial decisionmaker.

(4) The impartial decisionmaker shall be selected by the American Arbitration Association or the California State Mediation Service. The selection between these entities shall be made by the exclusive representative.

(5) Any party may make a request for a consolidated hearing of multiple agency fee challenges based on case similarities, including but not limited to, hearing location. At any time prior to the start of the hearing, any party may make a motion to the impartial decisionmaker challenging any consolidation of the hearing.

(6) The exclusive representative bears the burden of establishing the reasonableness of the amount of the chargeable expenditures.

(7) Agency fee challenge hearings shall be fair, informal proceedings conducted in conformance with basic precepts of due process.

(8) All decisions of the impartial decisionmaker shall be in writing, and shall be rendered no later than 30 days after the close of the hearing.

(9) All hearing costs shall be borne by the exclusive representative, unless the exclusive representative and the agency fee challenger agree otherwise.

* * *

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

REBECCA FRIEDRICHS; SCOTT WILFORD; JELENA FIGUEROA; GEORGE W. WHITE, JR.; KEVIN ROUGHTON; PEGGY SEARCY; JOSE MANSO; HARLAN ELRICH; KAREN CUEN; IRENE ZAVALA; CHRISTIAN EDUCATORS ASSOCIATION INTERNATIONAL, Plaintiffs, v. CALIFORNIA TEACHERS ASSOCIATION; NATIONAL EDUCATION ASSOCIATION; SAVANNA DISTRICT TEACHERS ASSOCIATION, CTA/NEA; SADDLEBACK VALLEY EDUCATORS ASSOCIATION; ORANGE UNIFIED EDUCATION ASSOCIATION, INC.; KERN HIGH SCHOOL TEACHERS ASSOCIATION; NATIONAL EDU-	Case No. SACV13-676 JST (CWx) COMPLAINT

CATION ASSOCIATION-JURUPA; SANTA ANA EDUCATORS ASSOCIATION, INC.; TEACHERS ASSOCIATION OF NORWALK-LA MIRADA AREA; SANGER UNIFIED TEACHERS ASSOCIATION; ASSOCIATED CHINO TEACHERS; SAN LUIS OBISPO COUNTY EDUCATION ASSOCIATION; SUE JOHNSON; CLINT HARWICK; MICHAEL L. CHRISTENSEN; DONALD E. CARTER; ELLIOTT DUCHON; THELMA MELENDEZ DE SANTA ANA; RUTH PEREZ; MARCUS P. JOHNSON; WAYNE JOSEPH; JULIAN D. CROCKER,

Defendants.

Plaintiffs Rebecca Friedrichs, Scott Wilford, Jelena Figueroa, George W. White, Jr., Kevin Roughton, Peggy Searcy, Jose Manso, Harlan Elrich, Karen Cuen, Irene Zavala, and Christian Educators Association International ("CEAI"), by and through their undersigned counsel, allege as follows:

INTRODUCTION

1. The First Amendment to the United States Constitution protects the individual rights of free speech and free association, including the right to withhold support from political causes and activities that conflict with one's beliefs. "When a State establishes an 'agency shop' that exacts compulsory union fees as a condition of public employment, the dissenting employee is forced to support financially an organization with whose principles and demands he may disagree. Because a public-sector union takes many positions during collective bargaining that have powerful political and civic consequences, the compulsory fees constitute a form of compelled speech and association that imposes a significant impingement on First Amendment rights." *Knox v. Serv. Emps. Int'l Union, Local 1000*, 132 S. Ct. 2277, 2289 (2012) (citations and alterations omitted).

2. The State of California (the "State") and its public school districts, in cooperation with the California Teachers Association ("CTA") and the other named Defendants, maintain an "agency shop" arrangement that injures public school teachers, including Plaintiffs, by forcing them to make financial contributions to teachers' unions as a condition of public employment. This agency-shop arrangement is established and maintained under color of State law, the California Educational Employment Relations Act ("EERA"), Cal. Gov't Code § 3540 *et seq.* Each year, the unions estimate a breakdown of expenditures that will be "chargeable" (*i.e.*, germane to collective bargaining) and "non-chargeable" (*i.e.*, political or ideological and not germane to collective bargaining). Teachers are required to contribute to the union's

"chargeable" expenditures. Teachers who wish to avoid contributing to a union's "non-chargeable" expenditures are annually forced to affirmatively express that they do not wish to contribute. Each year they must send the union a new notice indicating their objection.

3. This "opt out" process is unnecessarily burdensome and time consuming and is susceptible to resistance and pressure from the unions and their members.

4. Even if a teacher successfully completes the "opt out" process, he or she is still forced to pay the "chargeable" portion of fees to support the union's collective-bargaining activities. Any teacher who objects to the union's classification of certain expenditures as "chargeable" must bear the additional burden and expense of filing a legal challenge.

5. California's "agency shop" arrangement violates Plaintiffs' First Amendment rights in two distinct ways. First, the agency-shop arrangement violates their rights of free speech and association by forcing them to contribute to so-called "chargeable" union expenditures germane to collective bargaining, even though those contributions provide economic support to "non-chargeable" union activities and even though many of the "chargeable" expenditures and collective-bargaining activities are contrary to Plaintiffs' personal interests and political beliefs. Second, the agency-shop arrangement violates Plaintiffs' rights of free speech and association by forcing them to undergo an "opt out" process each year to avoid contributing to political and ideological expenditures

that the unions concede are not germane to collective bargaining.

6. These severe infringements on Plaintiffs' rights to free speech and association cannot withstand First Amendment scrutiny. Laws mandating compulsory speech and association must be narrowly tailored to serve a compelling government interest. California's "agency shop" arrangement cannot meet that standard. Requiring forced contributions of non-members for collective bargaining efforts in the public sector serves no compelling state interest and is not narrowly tailored. Requiring non-members to contribute to "non-chargeable" union expenditures unless they go through an annual opt-out process also serves no compelling state interest and is not narrowly tailored.

7. It is clear that the California's "agency shop" does not serve the interests of all public school teachers. In the course of collective bargaining, unions frequently take politically controversial positions that contradict the deeply held beliefs of some teachers, who do not believe the policies advocated by unions to be in their best interest, or in the best interest of society at large. For example, unions consistently "bargain" for provisions requiring increased State spending, and against important educational reforms which some teachers believe would benefit teachers, students, and taxpayers. Even in purely material terms, "seniority" protections and other employment protections advocated by unions benefit some teachers at the expense of other teachers who would fare better under an alternative system.

8. Recognizing that compulsory agency fees violate the First Amendment will not undermine the unions' authority or entitlement to engage in collective bargaining. The unions will remain the exclusive collective-bargaining agents in each school district as long as they retain the support of a majority of teachers in those districts. Public school teachers will, therefore, remain fully entitled to join together and collectively bargain through the unions for any and all desired labor protections.

9. Given the severe and ongoing infringement of Plaintiffs' rights to free speech and free association, Plaintiffs respectfully request that this Court declare that California's practice of forcing non-union members to contribute funds to unions, including funds to support their collective-bargaining activities, violates the First Amendment, and enjoin Defendants from enforcing this unconstitutional arrangement.

10. Plaintiffs additionally request that this Court declare that the Defendants' practice of requiring an annual affirmative "opt out" to avoid contributing to "non-chargeable" union expenditures violates the First Amendment, and enjoin Defendants from imposing this unconstitutional burden.

PARTIES

11. Plaintiff Rebecca Friedrichs has been a public school teacher in the Savanna School District for 25 years. She resigned her union membership in 2012 and opted out of paying the non-chargeable portion of the agency fees. But for California's "agency shop" arrangement, Ms. Friedrichs would not pay fees to or otherwise subsidize the teachers' union, and she objects to the State's forced subsidization policy. She

objects to many of the unions' public policy positions, including positions taken in collective bargaining.

12. Plaintiff Scott Wilford has been a public school teacher in California for 20 years. He has been a teacher in the Saddleback Valley School District for 14 years. He resigned his union membership in 2009. Every year since, he has opted out of paying the non-chargeable portion of the agency fees. But for California's "agency shop" arrangement, Mr. Wilford would not pay fees to or otherwise subsidize the teachers' union, and he objects to the State's forced subsidization policy. He objects to many of the unions' public policy positions, including positions taken in collective bargaining.

13. Plaintiff Jelena Figueroa has been a public school teacher in the Orange Unified School District for ten years. She resigned her union membership in 2008. Every year since, she has opted out of paying the non-chargeable portion of the agency fees. But for California's "agency shop" arrangement, Ms. Figueroa would not pay fees to or otherwise subsidize the teachers' union, and she objects to the State's forced subsidization policy. She objects to many of the unions' public policy positions, including positions taken in collective bargaining.

14. Plaintiff George W. White, Jr., has been a public school teacher in the Kern High School District for 28 years. He resigned his union membership in 2000. Every year since, he has opted out of paying the non-chargeable portion of the agency fees. But for California's "agency shop" arrangement, Mr. White would not pay fees to or otherwise subsidize the teachers' union, and he objects to the State's forced subsidiza-

tion policy. He objects to many of the unions' public policy positions, including positions taken in collective bargaining.

15. Plaintiff Kevin Roughton has been a public school teacher in the Jurupa Unified School District for eleven years. He resigned his union membership in 2008. Every year since, he has opted out of paying the non-chargeable portion of the agency fees. But for California's "agency shop" arrangement, Mr. Roughton would not pay fees to or otherwise subsidize the teachers' union, and he objects to the State's forced subsidization policy. He objects to many of the unions' public policy positions, including positions taken in collective bargaining.

16. Plaintiff Peggy Searcy has been a public school teacher in the Santa Ana Unified School District for 23 years. She resigned her union membership in or about 2010. Every year since, she has opted out of paying the non-chargeable portion of the agency fees. But for California's "agency shop" arrangement, Ms. Searcy would not pay fees to or otherwise subsidize the teachers' union, and she objects to the State's forced subsidization policy. She objects to many of the unions' public policy positions, including positions taken in collective bargaining.

17. Plaintiff Jose Manso began teaching in 1979. He left the profession for a 23-year period and returned to teaching fulltime in the Norwalk-La Mirada Unified School District in 2002. He resigned his union membership in 2010. Every year since, he has opted out of paying the non-chargeable portion of the agency fees. But for California's "agency shop" arrangement, Mr. Manso would not pay fees to or oth-

erwise subsidize the teachers' union, and he objects to the State's forced subsidization policy. He objects to many of the unions' public policy positions, including positions taken in collective bargaining.

18. Plaintiff Harlan Elrich has been a public school teacher for over 26 years and has been a public school teacher in California for over 20 years. He has been a teacher in the Sanger Unified School District for 8 years. He resigned his union membership in 2012 and opted out of paying the non-chargeable portion of the agency fees. But for California's "agency shop" arrangement, Mr. Elrich would not pay fees to or otherwise subsidize the teachers' union, and he objects to the State's forced subsidization policy. He objects to many of the unions' public policy positions, including positions taken in collective bargaining.

19. Plaintiff Karen Cuen has been a public school teacher in California for 25 years. She has been a teacher in the Chino Valley Unified School District for 20 years. She resigned her union membership in 1997. Every year since, she has opted out of paying the non-chargeable portion of the agency fees. But for California's "agency shop" arrangement, Ms. Cuen would not pay fees to or otherwise subsidize the teachers' union, and she objects to the State's forced subsidization policy. She objects to many of the unions' public policy positions, including positions taken in collective bargaining.

20. Plaintiff Irene Zavala has been a public school teacher in California for 13 years. She began teaching in San Luis Obispo County in 2012. She resigned her union membership in 2001. Because of her religious principles, Mrs. Zavala is a religious objector under

Cal. Gov't Code § 3546.3 (providing that "any employee who is a member of a religious body whose traditional tenets or teachings include objections to joining or financially supporting employee organizations shall not be required to join, maintain membership in, or financially support any employee organization as a condition of employment; except that such employee may be required, in lieu of a service fee, to pay sums equal to such service fee either to a nonreligious, nonlabor organization, charitable fund . . . chosen by such employee from a list of at least three such funds, designated in the organizational security arrangement"). To qualify as a religious objector under her union's collective bargaining agreement and California law, *id.*, Mrs. Zavala had to send a letter confirming her religious objections to making contributions to the union. She then had to engage in protracted e-mail correspondence with union and district officials to ensure that her objections were processed. In accordance with State law, once Mrs. Zavala's objection was properly processed, she was required to donate the full amount of the agency fee—not merely the chargeable portion—to one of three State approved charities specified in the collective-bargaining agreement. *See* San Luis Obispo County Collective Bargaining Agreement, Art. 12.4.2 (attached as Ex. A). But for California's "agency shop" arrangement, Mrs. Zavala would not pay fees to or otherwise subsidize the teachers' union, would decide for herself how much to donate in charitable contributions every year, and would not have her charitable contributions constrained by a collective-bargaining agreement. She objects to the State's agency-shop law, and to

many of the unions' public policy positions, including positions taken in collective bargaining.

21. Plaintiff CEAI is a non-profit religious organization that is the only professional association specifically serving Christians working in public schools. Founded and incorporated in the state of California, CEAI's membership consists of teachers, administrators, and para-professionals, and many other public and private school employees. In addition, CEAI offers associate membership to parents, pastors, school-board members, youth leaders, and others concerned or interested in the education of the nation's children. CEAI has approximately 600 members in the State of California, most of whom are subject to the unconstitutional arrangements outlined herein. Some of the individual Plaintiffs here—Kevin Roughton, Irene Zavala, Peggy Searcy, Jose Manso, Rebecca Friedrichs, and Harlan Elrich—are CEAI members. CEAI and its members object on policy grounds to the positions taken by teachers' unions in the collective bargaining process and outside of that process. The interests that CEAI seeks to protect in this lawsuit are germane to the organization's purpose, and neither the claims asserted nor the relief requested require the participation in this lawsuit of CEAI's individual members. In addition, Defendants' conduct pursuant to the State's agency-shop laws has the effect of creating a drain on CEAI's resources. There is a direct conflict between CEAI's mission and the challenged agency-shop arrangements, and CEAI engages in counseling, referral, advocacy, and educational services relating to California's agency-shop arrangements, independently of this litigation.

22. Defendant National Education Association ("NEA") is the largest teachers' union in the United States and one of the largest public-sector unions. It receives a share of the agency fees that are extracted from Plaintiffs and other public-school teachers under California's agency-shop laws. It has annual revenues of over $400 million per year. NEA is a major participant in political activities at the national, state, and local levels.

23. Defendant California Teachers Association ("CTA") is the state affiliate of NEA. It is the largest teachers' union in California and one of the largest public-employee unions in the United States. It receives a share of the agency fees that are extracted from Plaintiffs and other public-school teachers under California's agency-shop laws. It has annual revenues of over $175 million per year. CTA is a major participant in California politics and is heavily active at all levels of state and local government.

24. Defendant Savanna District Teachers Association, CTA/NEA is the local union that is recognized as the exclusive bargaining representative in the Savanna School District. Its state affiliate is CTA and its national affiliate is NEA.

25. Defendant Saddleback Valley Educators Association is the local union that is recognized as the exclusive bargaining representative in the Saddleback Valley Unified School District. Its state affiliate is CTA and its national affiliate is NEA.

26. Defendant Orange Unified Education Association, Inc. is the local union that is recognized as the exclusive bargaining representative in the Orange

Unified School District. Its state affiliate is CTA and its national affiliate is NEA.

27. Defendant Kern High School Teachers Association is the local union that is recognized as the exclusive bargaining representative in the Kern High School District. Its state affiliate is CTA and its national affiliate is NEA.

28. Defendant National Education Association-Jurupa is the local union that is recognized as the exclusive bargaining representative in the Jurupa Unified School District. Its state affiliate is CTA and its national affiliate is NEA.

29. Defendant Santa Ana Educators Association, Inc. is the local union that is recognized as the exclusive bargaining representative in the Santa Ana Unified School District. Its state affiliate is CTA and its national affiliate is NEA.

30. Defendant Teachers Association of Norwalk-La Mirada Area is the local union that is recognized as the exclusive bargaining representative in the Norwalk-La Mirada Unified School District. Its state affiliate is CTA and its national affiliate is NEA.

31. Defendant Sanger Unified Teachers Association is the local union that is recognized as the exclusive bargaining representative in the Sanger Unified School District. Its state affiliate is CTA and its national affiliate is NEA.

32. Defendant Associated Chino Teachers is the local union that is recognized as the exclusive bargaining representative in the Chino Valley Unified School District. Its state affiliate is CTA and its national affiliate is NEA.

33. The San Luis Obispo County Education Association is the local union that is recognized as the exclusive bargaining representative in the San Luis Obispo County Office of Education. Its state affiliate is CTA and its national affiliate is NEA.

34. Defendant school superintendents are the executive officers in charge of the school districts that employ Plaintiff teachers, pay Plaintiff teachers' wages, and process all deductions therefrom, including for union dues and "agency fees" pursuant to "agency shop" arrangements authorized by State law. Cal. Gov't Code § 3540 *et. seq.*, Cal. Educ. Code § 45061. Defendant school superintendents are sued in their official capacity.

35. Defendant Sue Johnson is the superintendent of Savanna School District, and is the executive officer who implements the deduction of agency fees from the paychecks of Plaintiff Rebecca Friedrichs.

36. Defendant Clint Harwick is the superintendent of the Saddleback Valley Unified School District, and is the executive officer who implements the deduction of agency fees from the paychecks of Plaintiff Scott Wilford.

37. Defendant Michael L. Christensen is the superintendent of the Orange Unified School District, and is the executive officer who implements the deduction of agency fees from the paychecks of Plaintiff Jelena Figueroa.

38. Defendant Donald E. Carter is the superintendent of the Kern High School District, and is the executive officer who implements the deduction of agency fees from the paychecks of Plaintiff George W. White, Jr.

39. Defendant Elliott Duchon is the superintendent of the Jurupa Unified School District, and is the executive officer who implements the deduction of agency fees from the paychecks of Plaintiff Kevin Roughton.

40. Defendant Thelma Meléndez de Santa Ana is the superintendent of the Santa Ana Unified School District, and is the executive officer who implements the deduction of agency fees from the paychecks of Plaintiff Peggy Searcy.

41. Defendant Ruth Pérez is the superintendent of the Norwalk-La Mirada Unified School District, and is the executive officer who implements the deduction of agency fees from the paychecks of Plaintiff Jose Manso.

42. Defendant Marcus P. Johnson is the superintendent of the Sanger Unified School District, and is the executive officer who implements the deduction of agency fees from the paychecks of Plaintiff Harlan Elrich.

43. Defendant Wayne Joseph is the superintendent of the Chino Valley Unified School District, and is the executive officer who implements the deduction of agency fees from the paychecks of Plaintiff Karen Cuen.

44. Defendant Julian D. Crocker is the superintendent of the San Luis Obispo County Office of Education, and is the executive officer who implements the deduction of agency fees from the paychecks of Plaintiff Irene Zavala.

JURISDICTION AND VENUE

45. This is an action under the Federal Civil Rights Act of 1871, 42 U.S.C. § 1983, to redress the deprivation, under color of state law, of rights, privileges and immunities secured to Plaintiffs by the Constitution of the United States, particularly the First and Fourteenth Amendments.

46. This Court has subject-matter jurisdiction over this action under 28 U.S.C. §§ 1331 and 1343(a)(3)-(4). Declaratory relief is authorized by 28 U.S.C. §§ 2201 and 2202 and Federal Rule of Civil Procedure 57.

47. Venue is proper in this district under 28 U.S.C. § 1391(b).

48. An actual controversy currently exists between the parties concerning the constitutionality of California's "agency shop" arrangement. That controversy is justiciable in character, and relief is necessary to preserve Plaintiffs' rights and prevent future harm to Plaintiffs.

49. California's "agency shop" arrangement imposes a cognizable injury on Plaintiffs by forcing them or their members to contribute money in support of union activities, and by forcing them to bear a substantial burden in order to "opt out" of supporting union activities that the unions themselves classify as political and unrelated to collective bargaining.

FACTUAL ALLEGATIONS

I. California's "Agency Shop" Law for Public-School Teachers

50. Under California law, a union may become the exclusive bargaining representative for "public school

employees" in a bargaining unit (usually a public school district) by submitting adequate proof that a majority of such employees in the unit wish to be represented exclusively by the union. Cal. Gov't Code §§ 3544, 3544.1. "Public school employee" for these purposes is statutorily defined as "a person employed by a public school employer except persons elected by popular vote, persons appointed by the Governor of this state, management employees, and confidential employees [who facilitate employee relations on behalf of management]." *Id.* § 3540.1(j). When a union is designated as the exclusive representative, all the "public school employees" in that district are represented exclusively by the union for purposes of bargaining with the district. *Id.* § 3543.1(a).

51. California law defines the "terms and conditions of employment," concerning which the unions may collectively bargain, to include a wide range of issues at the heart of education policy. *Id.* § 3543.2(a). These topics of collective bargaining include wages, hours of employment, and other terms and conditions of employment, such as "health and welfare benefits," "leave," "transfer and reassignment policies," "safety conditions of employment," "class size," and "procedures to be used for the evaluation of employees." *Id.*

52. Under State law, a union that has been recognized as the exclusive bargaining representative for a school district can enter into an agency-shop arrangement (also known as an "organizational security agreement") with that district. While teachers in the district are not required to become members of the union, they are required to pay fees to the union as a condition of their employment. *Id.* § 3546(a).

State law authorizes the union to collect these "agency fees" from all teachers in the district to fund the union's operations and expenditures. *Id.* Under California law, the category of expenses covered by agency fees "may include, but shall not necessarily be limited to, the cost of lobbying activities designed to foster collective bargaining negotiations and contract administration, or to secure for the represented employees advantages in wages, hours, and other conditions of employment in addition to those secured through meeting and negotiating with the employer." *Id.* § 3546(b). Under the statute, the full amount of the "agency fee" charged to non-members is determined by the union and "shall not exceed the dues that are payable by members" of the union. *Id.* § 3546(a). In practice, the amount of agency fees is typically equivalent to the amount of union dues.

53. If a teacher chooses to be a member of the union that is the exclusive representative in his or her district, the school district collects the full amount of union dues from that teacher and forwards them to the union. *Id.* § 3543.1(d). *See also* Cal. Educ. Code §§ 45060, 45061, 45061.5, 45168. Non-union teachers are required to pay the above-described "agency fees" to the union. Each year, the union must send out a "*Hudson*" notice indicating the percentage of the agency fees that will be "non-chargeable," *i.e.*, "not devoted to the cost of negotiations, contract administration, and other activities of the employee organization that are germane to its function as the exclusive bargaining representative." Cal. Gov't Code § 3546(a). If a teacher who is not a member of the union affirmatively responds to the notice by indicating he or she would like to "opt out" of paying the "non-

chargeable" portion of the fee, he or she is entitled to a rebate or fee reduction for that year. *Id.*; *see also* Regs. of Cal. Pub. Emp't Relations Bd. § 32992. Absent such an affirmative "opt out," the non-member pays the full amount of the fee.

54. Under State law, each school district may deduct agency fees from teachers' paychecks and pay the fees to the union recognized for that district. Cal. Gov't Code § 3546(a). Alternatively, "any employee may pay service fees directly to the [union] in lieu of having such service fees deducted from the salary or wage order." Cal. Educ. Code § 45061. The amount of the total agency fee is determined by the union based on an estimate of its expenditures in the coming year. The "chargeable" and "non-chargeable" portions of the fee are calculated by the union based on an audited financial report for a recent year of the union's expenditures. The union is required to include the audited financial report along with the breakdown of "chargeable" and "non-chargeable" expenditures in the annual "*Hudson*" notice sent out to teachers. *See* Regs. of Cal. Pub. Emp't Relations Bd. § 32992(b)(1).

55. An agency fee payer who disagrees with the union's determination of the chargeable portion of the agency fee may file a challenge with the union after receiving the "*Hudson*" notice. Upon receipt of an agency fee challenge, the union must request a prompt hearing regarding the agency-fee breakdown before an impartial decision maker selected by either the American Arbitration Association or the California State Mediation Service. *Id.* § 32994.

II. The "Agency Shop" Arrangements in California's Public School Districts

56. Under color of state law, Cal. Gov't Code § 3540 *et seq.*, Defendant local unions have been designated the exclusive bargaining agents for the school districts in which Plaintiffs are employed as teachers.

57. Under color of State law, *id.*, Defendant local unions have entered into agency-shop agreements with the school districts where Plaintiffs are employed as teachers. These agreements include provisions requiring that all teachers in these districts either join the unions, or else pay agency fees to the unions. The agreements also provide that teachers must contribute to "non-chargeable" union expenditures unless they go through an opt-out process.

58. For each school district in which Plaintiffs are employed, the total agency-fee amount is determined by the local union that is recognized as the exclusive bargaining representative for that district, often in collaboration with CTA. After the local union or CTA informs the school district of the annual agency-fee amount, the school district automatically deducts that amount in pro rata shares from the teacher's regular paychecks (or, in some cases, the "chargeable" portions of the fee for teachers who "opted out" of "non-chargeable" fees) unless the teacher informs the district that he or she will pay the union directly. The school district sends the deducted amounts directly to the local union, which then distributes part of the fees to CTA and NEA.

59. For each school district in which Plaintiffs are employed, the local union's agency fee includes "affiliate fees" for both CTA and NEA, which are the state

and national affiliates of the local union. The amount of the affiliate fees are uniform in every school district because they are determined on a statewide and nationwide basis by CTA and NEA, respectively.

60. For each school district in which Plaintiffs are employed, CTA and NEA "affiliate fees" are treated as partially "chargeable." The "chargeable" portion of the "affiliate fees" is based on the "chargeable" portion of all statewide and nationwide expenditures by CTA and NEA. Thus, the portions of CTA and NEA "affiliate fees" deemed "chargeable" to teachers in local school districts are not designed to correspond to actual collective-bargaining expenditures made by CTA and NEA within those districts. Rather, they are based on the overall breakdown of CTA and NEA "chargeable" expenditures in California and the United States, respectively.

61. For each school district in which plaintiffs are employed, the "chargeable" and "non-chargeable" portions of the agency fees are calculated based on an audit of the union expenditures in a recent year. The auditors confirm that the union expenditures were made as indicated, but do not confirm that the union has properly classified the expenditures as "chargeable" or "non-chargeable."

62. Teachers who are not union members receive an annual "*Hudson*" notice each fall, giving them a breakdown of the "chargeable" and "non-chargeable" portion of the agency fee. Upon receiving this notice, teachers who are not union members have the option of undergoing the "opt out" process, which requires them to object to the "non-chargeable" portion of the agency fee within approximately six weeks. If a

teacher succeeds in making a timely objection, the union either refrains from collecting the non-chargeable portion of the agency fee or sends a "rebate" check to the teacher equal to the non-chargeable portion of the annual agency fee. Teachers who receive the "*Hudson*" notice also have the option to file a legal challenge to the union's calculation of the "chargeable" and "non-chargeable" portions of the agency fee.

63. Annual dues (or agency fees for non-members) typically consume roughly two percent of a new teacher's salary, and sometimes increase regardless of whether there is an increase in teacher pay. The total amount of annual dues generally exceeds $1,000 per teacher, while the amount of the refund received by nonmembers who successfully opt out of the non-chargeable portion of their agency fees is generally around $350 to $400.

64. In order to participate in this "opt out" process, the teacher cannot be a member of the union. This means that teachers who "opt out" must forgo the ability to obtain direct benefits through the union, some of which benefits are typically (and would likely otherwise be) obtainable through one's employer. For example, teachers who "opt out" are unable to obtain disability insurance as part of their employment package. *See, e.g.*, CTA, *Member Benefits*, http://archive.cta.org/MemberBenefits/Disability.html ("Most school districts do not provide disability insurance coverage for their employees."); *id.* ("The CTA Voluntary Disability Plan provides benefits to members when they become totally disabled for any reason."). Such insurance is necessary to, among other things, provide teachers on maternity leave with

monies approximating their regular salary. Most school districts provide only differential pay during maternity leave (that is, "the amount remaining of your salary after the district pays a substitute to fill your position," CTA, Pregnancy and Parental Leave Rights, http://ctainvest.org/ home/insurance-estate-planning/disability-long-term/ pregnancy-and-parental-leave-rights.aspx), leaving disability insurance to make up the difference). *See* CTA, *Member Benefits;* CTA, *How is CTA saving you money?*, http://www.cta.org/Professional-Development/Publications/2012/12/December-2012-Educator-Magazine/How-CTA-is-saving-you-money.aspx.

65. The defendant unions invoke teachers' inability to obtain disability insurance through their school district employers when encouraging non-members to join the union. *See, e.g.*, Kern High Teachers Association Letter (undated) ("If you join CTA, you are eligible for income protection [in the event of a disability] through the insurance provider The Standard.") (attached as Ex. B).

66. Plaintiffs or their members are subject to these "agency shop" arrangements in the school districts where they teach.

67. In recent years, NEA has deemed approximately 40 percent of its expenditures to be "chargeable." CTA has deemed approximately 65 percent of its expenditures to be "chargeable." Local unions often use the same chargeability percentage as CTA. This practice is apparently based on a "local union presumption," which presumes that local unions tend to spend as much or more of their budgets on collective bargaining as do their state affiliates.

68. Dues and agency fees yield significant revenues for the unions. For example, CTA's revenue in 2009 was $186 million, primarily from membership dues and fees. In 2011, it was over $191 million, over $178 million of which came from membership dues and fees.

69. CTA spent over $211 million in political expenditures from 2000 through 2009. CTA's largest single expenditure, of over $26 million, was made to successfully oppose Proposition 38 on the 2000 ballot, which would have enacted a school-voucher system in California and thereby increased the potential employment pool for teachers. CTA also spent over $50 million to oppose three ballot initiatives in 2005, including Proposition 74, which sought to make changes in the probationary period for California school teachers; Proposition 75, which sought to prohibit the use of public employee agency fees for political contributions without individual employees' prior consent; and Proposition 76, concerning state spending and minimum school-funding requirements. *See* California Fair Political Practices Commission, *Big Money Talks*, at 11-12 (Mar. 2010), http://www.fppc.ca.gov/reports/Report38104.pdf. CTA also takes public positions on a wide range of issues both related and unrelated to the educational system. For example, CTA opposes school vouchers (CTA, *Issues & Action: Vouchers*, http://www.cta.org/Issues-and-Action/Education-Reform/Vouchers.aspx) and supports immigration reform that provides "timely legalization without regard to national origin" (CTA, *Issues in Action: Immigration*, http://www.cta.org/en/Issues-and-Action/Ongoing-Issues/Immigration.aspx).

70. CTA is a major donor to the California Democratic Party. From 2003 to 2012, CTA spent nearly $102 million on political contributions, with only 0.08 percent of that money going to Republicans. *See* Troy Senik, *The Worst Union in America*, City Journal (Spring 2012). CTA also spends money on direct political advocacy, much of which is on issues with no connection to education. For example, the California Teachers Association spent over $1 million in opposition to Proposition 8 (the gay marriage initiative). *See, e.g.*, Evelyn Larrubia, *$1 million from teachers' union to oppose Prop. 8*, L.A. Times (Oct. 17, 2008), http://articles.latimes.com/2008/ oct/17/local/meteachers17.

71. CTA also encourages its members to engage in extensive political activism in the public schools where they work. For example, as part of a recent campaign to lobby the State Legislature on school funding issues, *see* State of Emergency, *About* (explaining the reasons for CTA's lobbying campaign), http://castateofemergency.com/?page_id =158, CTA distributed a list of practices that it suggested to its teacher-members as ways to further CTA's campaign in their classrooms. For example, CTA suggested that teachers:

- "Take ½ photo of Assembly members and have kids draw the other half with a message stating what they want for their teachers," State of Emergency, *State Council Ideas for Potential Activities*, at 1, http://www.eiaonline.com/CTAStateofEmergencyIdeas.pdf,

- Have their "students create a BIG poster on a school bus that is sent to Sacramento," *id.* at 5,
- Organize a "Student Video Contest" in which those teachers would conduct a "contest for youth to create a video about what education costs would mean to them," *id.* at 10.

72. In coordination with their express political advocacy, California's teachers' unions routinely take positions in the collective-bargaining process that have profound political and budgeting consequences.

73. NEA likewise engages in widespread political advocacy on a wide range of issues. This includes support for firearm restrictions (NEA, *Sign the petition to keep students safe from gun violence*, http://educationvotes.nea.org/gun-violence-petition/) and support for the Affordable Care Act (NEA, *Affordable Health Care for America*, http://www.nea.org/home/16326.htm).

74. CTA classifies expenditures as being "chargeable"—and thus germane to collective bargaining—even when those expenditures appear to have little to do with collective bargaining. For example, in 2010-2011:

- CTA classified its expenditures on "Human Rights Programs," including a "Gay/Lesbian Program," as being 100% chargeable. *See* CTA Combined Financial Statement, at 21 (Aug. 31, 2011) (attached as Ex. C),
- CTA classified a "GLBT Conference" as being 71.3% chargeable, *id.* at 23, and

- CTA also deems publication and dissemination of its internal magazine, *The California Educator*, to be 78.4% chargeable, *id.* at 20.

Further, while the documents that CTA gives to teachers do not provide much detail on the activities underlying the listed charges, those documents do further reflect that CTA deems "Regional Services" to be 93.1% chargeable, *id.* at 17, despite "Regional Services" appearing to contain expenditures on numerous activities of a non-bargaining-related nature. *See id.* at 28-29 (listing as several targets of "emphasis" in 2010-2011, "[e]xpanding the CTA membership base"; "[a]ssistance with chapter organization"; "identification and development of local issues"; "[o]rganizing and training for political action and community outreach").

75. CTA maintains that "[c]hargeable expenses generally include those related to" policy strategizing or public polling. *Id* at 34. ("[s]trategic planning and polling on priorities for association activities").

76. NEA likewise classifies expenditures as "chargeable" even when those expenditures appear to have little to do with collective bargaining. For example, in 2010-2011, NEA deemed "[p]rovide technical and financial support to affiliates engaged in or preparing to engage in comprehensive salary campaigns" to be 76% chargeable. *See* NEA Combined Financial Statements at 28 (Aug. 31, 2011) (attached as Ex. D). NEA likewise deemed:

- "Provide resources to assist affiliates build capacity to support their initiatives designed to advance pro-public education policies for stu-

dent learning and workforce quality," to be 91.5% chargeable, *id.*,

- "Affiliate programs and services that increase membership," to be 73.38% chargeable, *id.*,
- "[B]uild[ing] affiliate capacity for membership growth through project funding and constituency group assistance," to be 81% chargeable, *id.* at 35,
- "Facilitate[ ] the development of NEA strategy and operations," "[i]mplement[ ] workplace culture initiative," and "[m]aintain[ ] NEA records archives," to be 80.9% chargeable, NEA Letter, *Chargeable & Nonchargeable Audited Expenditures for the 2010-2011 Fiscal Year*, at 15 (Aug. 9, 2012) (attached as Ex. E), and
- Conferences for NEA staff to be 100% chargeable, *id.* at 16 ("Provided learning opportunities through the Leadership Institute that enhance NEA staff's professional skills and contribute to high performance.").

NEA also deems to be partially chargeable spending such as "[c]ommunicate the NEA beliefs, qualities, and services to engage members and improve target audiences' recognition of NEA through print and electronic media" (13.36% chargeable), NEA Combined Financial Statements, at 36 (Ex. D), "[i]ncrease efficient use of campaign tools, technology, and resources in all NEA targeted campaigns" (14.09% chargeable), *id.*, and "[p]artner with ethnic minority, civil rights, and other organizations to advance NEA's commitment to social justice" (36.76% chargeable), NEA Letter, *Chargeable & Nonchargeable Au-*

dited Expenditures for the 2010-2011 Fiscal Year, at 11 (Ex. E).

77. NEA has "determined that *chargeable* activities and expenditures were related to" expenditures that are devoted to setting employment terms in public schools that affect core education policy, NEA Combined Financial Statement, at 41 (Ex. D) ("specific terms and conditions of employment that may be negotiable, such as," for example, "promotions," "discharge," and "performance evaluation"), as well as NEA-sponsored award programs, *id.* at 42 ("NEA award programs").

III. California's "Agency Shop" Law Violates the First Amendment

78. California's agency-shop arrangement violates the First Amendment rights of Plaintiffs and other public-school teachers who are not voluntary union members. There is no justification—much less a compelling one—for mandating that Plaintiffs make contributions to support collective bargaining and the other activities of California's teachers' unions, which are among the most powerful and politically controversial organizations in the State. Particularly given the inherently political nature of collective bargaining and its profound economic consequences, the First Amendment forbids coercing any money from Plaintiffs to fund so-called "chargeable" union expenditures. Moreover, even if the First Amendment did somehow tolerate conditioning public employment on subsidizing the unions, there is still no justification for forcing Plaintiffs and other teachers to pay for political and ideological activities—expenditures that the unions themselves admit are

"non-chargeable" under the First Amendment—unless they affirmatively "opt out" of making payments each year.

A. Conditioning Public Employment on the Payment of Mandatory Fees to Support Collective Bargaining is Unconstitutional.

79. As the Supreme Court has explained, "compulsory subsidies for private speech are subject to exacting First Amendment scrutiny and cannot be sustained unless two criteria are met. First, there must be a comprehensive regulatory scheme involving a 'mandated association' among those who are required to pay the subsidy." *Knox*, 132 S. Ct. at 2289 (citing *United States v. United Foods, Inc.*, 533 U.S. 405, 414 (2001)). "Such situations are exceedingly rare because . . . mandatory associations are permissible only when they serve a compelling state interest. . . that cannot be achieved through means significantly less restrictive of associational freedoms." *Id.* (citation omitted). "Second, even in the rare case where a mandatory association can be justified, compulsory fees can be levied only insofar as they are a 'necessary incident' of the 'larger regulatory purpose which justified the required association.'" *Id.* (quoting *United Foods*, 533 U.S. at 414).

80. Agency-shop arrangements impose a "significant impingement on First Amendment rights" because "[t]he dissenting employee is forced to support financially an organization with whose principles and demands he may disagree." *Ellis v. Bhd of Ry., Airline & S.S. Clerks*, 466 U.S. 435, 455 (1984)). This "impingement" is quite severe because "public-sector union[s] take[ ] many positions during collective bar-

gaining that have powerful political and civic consequences." *Knox*, 132 S. Ct. at 2289.

81. Moreover, "any procedure for exacting [union] fees from unwilling contributors must be carefully tailored to minimize the infringement of free speech rights." *Id.* at 2291 (citation omitted). By contrast, "unions have no constitutional entitlement to the fees of nonmember-employees." *Id.* (citation omitted). Rather, their "collection of fees from nonmembers is authorized by an act of legislative grace." *Id.* (citation omitted).

82. California's agency-shop arrangement does not serve any compelling state interest, nor is it narrowly tailored to serve whatever interest the State may have. There is no compelling or even persuasive evidence that compulsory agency fees are needed to achieve "labor peace" in California or its public schools, or that such a compulsory policy is the least restrictive means of securing equitable policies in public employment.

B. The "Opt Out" Requirement for Non-Chargeable Expenditures is Unconstitutional.

83. Under the State's agency-shop provisions, any public school teacher who wishes to withhold contributions to unions' non-chargeable expenditures must write a letter each year expressing that wish. CTA must receive this letter by a hard deadline or the request to opt out will be denied and the teacher will be required to pay full dues for the subsequent year. No matter how many years in a row a non-member has opted out of paying the political portion of agency

fees, that non-member must still send a letter each year to CTA in order to successfully opt out.

84. This requirement to pay for political and ideological activities absent annual, affirmative disapproval constitutes a serious burden on the First Amendment rights of public employees. It also creates an environment susceptible to contrary pressure by union personnel. Finally, given the strong likelihood that individuals who choose not to join the union prefer not to subsidize the union's explicitly political expenditures by paying full agency fees, non-members should be presumed to be non-contributors unless they affirmatively "opt in." In short, the Constitution requires unions seeking political donations to solicit those donations from non-members through the ordinary process of voluntary, affirmative consent.

85. *Abood v. Detroit Board of Education*, 431 U.S. 209 (1977), upheld the constitutionality of compelling payment of agency fees by public employees and *Mitchell v. Los Angeles Unified School District*, 963 F.2d 258 (9th Cir. 1992), upheld requiring non-members to "opt out" of paying the "non-chargeable" share of dues. Consequently, stare decisis may restrict the ability of lower federal courts to grant Plaintiffs the relief they seek.

FIRST COUNT

Exacting Compulsory Fees to Support Collective Bargaining Violates the First Amendment

86. Plaintiffs incorporate and reallege each and every allegation contained in the foregoing para-

graphs of this Complaint, as though fully set forth herein.

87. The First Amendment to the United States Constitution provides: "Congress shall make no law ... abridging the freedom of speech."

88. The Fourteenth Amendment to the United States Constitution incorporates the protection of the First Amendment against the States, providing: "No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty, or property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."

89. By requiring Plaintiffs to make any financial contributions in support of any union, California's agency-shop arrangement violates their rights to free speech and association under the First and Fourteenth Amendments to the United States Constitution.

90. Plaintiffs have no adequate remedy at law.

SECOND COUNT

Requiring "Opt Out" for Non-Chargeable Expenses Violates the First Amendment

91. Plaintiffs incorporate and reallege each and every allegation contained in the foregoing paragraphs of this Complaint, as though fully set forth herein.

92. By requiring Plaintiffs to undergo "opt out" procedures to avoid making financial contributions in support of "non-chargeable" union expenditures, Cali-

fornia's agency-shop arrangement violates their rights to free speech and association under the First and Fourteenth Amendments to the United States Constitution.

93. Plaintiffs have no adequate remedy at law.

COSTS AND ATTORNEYS' FEES

94. Pursuant to 42 U.S.C. § 1988, Plaintiffs further seek an award of their costs, including reasonable attorneys' fees, incurred in the litigation of this case.

PRAYER FOR RELIEF

An actual controversy has arisen between the parties entitling Plaintiffs to declaratory and injunctive relief.

WHEREFORE, Plaintiffs pray that this Court:

(A) Enter a judgment declaring that California's agency-shop law, codified in Cal. Gov't Code § 3540 *et seq.*, impermissibly abridges Plaintiffs' First Amendment free speech rights by requiring payment of any fees to any union as a condition of public employment;

(B) Enter a judgment declaring that California's agency shop arrangement, codified in Cal. Gov't Code § 3540 *et seq.*, impermissibly abridges Plaintiffs' First Amendment free speech rights by requiring payments in support of "non-chargeable" union expenditures unless they affirmatively opt out of such payments;

(C) Enter an injunction barring Defendants from seeking to require non-union employees to pay any monies that support any union or, at a minimum, barring Defendants from seeking to require pay-

ments for "non-chargeable" expenditures from any employee who has not affirmatively stated a willingness to financially support such expenditures;

(D) Grant Plaintiffs such additional or different relief as it deems just and proper, including an award of reasonable attorneys' fees and the costs of this action.

Dated: April 30, 2013 JONES DAY

By: /s/ John A. Vogt
John A. Vogt

ATTORNEYS FOR PLAINTIFFS

Michael A. Carvin, Esq. (*Pro Hoc Vice To Be Filed*)
James M. Burnham, Esq. (*Pro Hoc Vice To Be Filed*)
JONES DAY
51 Louisiana Avenue
Washington, DC 20001-2113

Michael E. Rosman (*Pro Hac Vice To Be Filed*)
Center for Individual Rights
1233 20th St. NW, Suite 300
Washington DC 20036

ATTORNEYS FOR PLAINTIFFS

AGREEMENT
BETWEEN
SAN LUIS OBISPO COUNTY SUPERINTENDENT OF SCHOOLS
AND
SAN LUIS OBISPO COUNTY EDUCATION ASSOCIATION, CALIFORNIA TEACHERS ASSOCIATION/NATIONAL EDUCATION ASSOCIATION
2012-2015

* * *

ARTICLE I
INTRODUCTION

1.1 This Agreement and the provisions contained herein constitute a bilateral and binding agreement by and between the SAN LUIS OBISPO COUNTY SUPERINTENDENT OF SCHOOLS (hereinafter referred to as "Superintendent" or "Employer") and the SAN LUIS OBISPO COUNTY EDUCATION ASSOCIATION, CTA/NEA, an employee organization, (hereinafter referred to as "Exclusive Representative" or "Association") and pertain to unit members in the bargaining unit (hereinafter referred to as "employees").

1.2 This Agreement is entered into pursuant to Sections 3540-3549 of the California Government Code (hereinafter referred to as the "Act").

ARTICLE II
RECOGNITION

2.1 The Employer recognizes the Association as the Exclusive Representative of certificated employees, as specified below:

2.1.1 Included: All Occupational Therapists and non-management certificated employees serving in a position requiring a credential or certification from California Commission on Teacher Credentialing, unless otherwise excluded below.

2.1.2 Excluded: All employees designated by the Employer as management, supervisory, confidential, certificated non-management employees employed for summer school or Extended School Year (ESY) only, Camp Hapitok and substitute teachers.

ARTICLE III
SALARY

3.1 Effective July 1, 2007, a 4.53% increase was applied to all cells, including the provisional rate, on the certificated salary schedules. Teachers and therapists shall be compensated per the Teacher/Therapist Salary Schedule effective July 1, 2007 (excluding Extended School Year (ESY) and summer school). Occupational Therapists shall be compensated per the Educational Occupational Therapist Salary Schedule effective July 1, 2007 (excluding ESY and summer school). State Preschool and First Five Preschool teachers shall be compensated

per the attached State Preschool and First Five Preschool Salary Schedules effective July 1, 2007 (See Appendix A1-A4). ESY and summer school pay shall be based on the preceding school year salary schedule.

Salary Schedules

3.2 The salary schedules shall be attached as Appendix A1-A4. Certificated employees advance on the salary schedule based on years of experience (step increments) and units of education (column movement).

3.3 All certificated employees hired onto the Occupational Therapist or Teacher/Therapist salary schedules will receive year for year credit in terms of experience and education.

Salary Advancement – Step Increments

3.4 Step increments shall be granted to those bargaining unit members who qualify. Bargaining unit members in paid status for 60% or greater of a 1.0 Full Time Equivalent (FTE) will receive a step increment every year. Bargaining unit members in paid status for less than 60% of a 1.0 FTE will receive a step increment every other year regardless of the percentage. There will be no accumulation of percentages from year to year.

3.5 Time spent in unpaid leave status shall not count toward advancement on the salary schedule.

Salary Advancement – Column Movement

3.6 Column movement shall be granted to those employees who qualify through the educational

development process (progress toward advanced degree program and/or qualifying units/continuing education units.).

Educational Development Process

3.6.1 Notice of intent to qualify for column movement must be filed with the Employer by May 1st of each year. All work must be completed and verified by the following October 15th.

3.6.2 Each employee is responsible for:

- Obtaining prior approval from the appropriate principal or director.
- Submitting transcripts or documentation by the instructor to verify completion of all work.
- Filing a request for change in salary column on a timely basis each time one is due.

3.6.3 Employees who present transcripts or documentation of qualifying units of credit earned which qualify the employee for a higher column on the salary schedule shall move to the higher column retroactive to their first work day of the current school year. In the event the institution of higher education is unable to furnish transcripts by October 15th, upon appropriate written notice from the employee, the Employer shall extend the deadline. The employee shall be placed on the appropriate column of the salary schedule fol-

lowing written institutional verification of completion of the units.

Educational Development Requirements

3.6.4 All courses submitted for the purpose of advancement on the salary schedule must be substantially supportive of the teacher's current assignment in the San Luis Obispo County Office of Education and must have received prior approval from the appropriate principal or director.

3.6.5 All units which an employee seeks to have applied toward salary schedule advancement shall be in the employee's academic major or minor or shall be related to the employee's assignment.

3.6.6 Except for pass-fail courses, courses shall not be eligible for salary credit unless earned with a grade of "C" or higher.

3.6.7 Nothing in this Article precludes the Employer granting salary credit units at its discretion for in-service activities sponsored or conducted by the Employer.

Compensation for Job Shares

3.7 When employees "share" one regular contract, salaries will be based upon the ratio of each employee's hours of service to a full-time employee's hours e.g., three and one-half hours equals 50% of salary. (For more information

on alternative work schedules, see Article V – Hours of Employment.)

Additional Compensation

3.8 The following qualify for additional compensation at the daily rate of pay, prorated on the ratio of hours worked to the employee's regular school year workday:

- Professional meetings (as defined in 5.15) requested by administration which occur on a day that the employee is not scheduled to work
- Duties which are not professional duties as described in 5.15 and which occur outside of the normal scheduled onsite hours (examples include participation in SLOCOE sponsored committees and extra projects requested by administration).
- IEP meetings or meetings with other agencies that are scheduled to start at 4:00 P.M. or later, with prior approval by the supervisor, and mutual agreement of the employee and supervisor as to the start time. (Note: Meetings scheduled to start before 4:00 P.M., even if they extend beyond 4:00 P.M., will not be eligible for additional compensation.) (See also 5.15.2)

If employees are participating as a learner, for example, in CPR training, they will be paid at the curriculum hourly rate. Stipends and hourly rates are attached as Appendix BI.

Mileage - Use of Automobiles

3.8.1 Teachers who are assigned to use their own automobiles in the performance of their duties (including Individual Education Plans (IEPs), staffings, staff meetings, and other mandated meetings) and teachers who are assigned to more than one school per day shall be reimbursed for all such travel at the rate authorized by the County Superintendent of Schools for all driving done between the first school or designated headquarters (whichever is closer to the teacher's residence) and other schools or assignments. Travel assignments shall not be made to discipline teachers.

Extended School Year (Special Education only)

3.8.2 By March 1st of each school year, the Employer shall poll individual members of the staff to determine which employees desire to work during the Extended School Year (ESY). Employees may apply to work during ESY either in their current assignment or in another assignment within their credential limitations, if any. A $500 stipend shall be awarded to teachers who agree by March 1 to teach a full assignment for ESY. Where a job share occurs, those teachers shall share the stipend which will be prorated accordingly.

3.8.2.1 Each Designated Instructional Services/Related Services (DIS/RS) Itinerant certificated employee who agrees by March 1st to teach Extended School Year (ESY), and applies to work a period of time less than the full 19 or 20 days (depending upon district calendar), shall be awarded a prorated stipend based upon the days worked provided that the employer is able to hire additional qualified staff to meet the program needs.

If the employer is not able to hire qualified staff, the DIS/RS employee will be requested to work the entire assignment as needed per management. If the DIS/RS employee chooses not to do that, he/she will not be awarded the stipend.

3.8.3 All bargaining unit members who work ESY shall be paid their daily rate of pay for each day of ESY service. The daily rate of pay shall be prorated on the ratio of the employee's ESY workday to the employee's regular school year workday. (See also 5.7).

Summer School (Alternative Education)

3.8.4 All bargaining unit members who work summer school shall be paid their daily

rate of pay for each day of summer school service. The daily rate of pay shall be prorated on the ratio of the employee's summer school workday to the employee's regular school year workday.

Extra Periods for Special Education and Alternative Education

3.8.5 1.0 FTE teachers will be paid their daily rate of pay for teaching extra periods beyond their normal seven-hour workday. The daily rate of pay shall be prorated on the ratio of hours worked to the employee's regular school year workday.

Early Notification Retirement Incentive

3.8.6 An incentive of $500 will be given to all certificated staff who turn in a signed retirement letter on or before March 1st. The letter needs to state that the certificated employee is retiring effective the end of the school year. Once the employee is retired in June, SLOCOE will send the employee $500 (minus the applicable taxes, but not subject to retirement deductions).

ARTICLE IV
HEALTH AND WELFARE BENEFITS

4.1 The Employer agrees to make a monthly contribution for the insurances set forth in paragraphs 4.1, 4.1.1-4.1.3 of this Article. The Employer's total annual contribution shall be $6,000.00, plus one-half the total insurance

premiums above $6,000.00, as modified by the Cost Containment Committee. The Cost Containment Committee is an advisory body and does not negotiate for the unit. The Employer's contribution is a dollar amount contribution for the health and welfare benefits specified as follows:

4.1.1 Medical insurance for the employee and eligible dependent(s) pursuant to a self-funded plan administered by Blue Cross/Self-Insured Schools of California (SISC).

4.1.2 Dental insurance for the employee and eligible dependent(s) pursuant to a self-funded plan administered by Delta Dental Service/SISC.

4.1.3 Vision insurance for the employee and eligible dependent(s) pursuant to a self-funded plan administered by Vision Service Plan/SISC.

4.2 Should there be no agreement in regard to the Employer's contribution level for a successor agreement prior to September 15th of the current school year the Employer's contribution for the above-specified insurances shall be limited to the actual monthly amount contributed by the Employer as of September 1st of the prior year.

4.3 In return for the provision of health and welfare benefits and the payment of the premiums, the Employer shall be entitled to select the provider(s) of the above-specified benefits.

4.3.1 There shall be no change in provider(s) without prior notice to the Exclusive Representative and an opportunity for consultation.

4.3.2 No change shall constitute an increase of premium to be paid for by the employee during the school year.

4.3.3 Any change of provider(s) shall provide benefits and administration equivalent to or better than benefits currently in effect.

4.4 An employee with an assignment of less than a .5 Full Time Equivalent (FTE) is not eligible for health and welfare benefits. For employees with an assignment of .50 or greater FTE, the Employer shall prorate its contribution for health and welfare benefits based upon the ratio of the employee's FTE. For a job share assignment, the SLOCOE health and welfare contribution shall be shared equally or in a percentage that matches the work year of each member of the job-sharing team. Any member contributions that are necessary to maintain coverage must be received by the office in a timely manner. It is recommended that the employee consult with the State Teacher's Retirement System (STRS) representative to determine the impact of the assignment on his/her retirement. (For more information on alternative work schedules, see Article V – Hours of Employment)

4.5 No in-lieu payments or contributions to programs other than those that the Employer pro-

vides above shall be made by the Employer for any employees who elect not to subscribe to the benefits provided by this Article.

4.6 Employees hired on or after July 1, 1983, shall not be eligible for the insurance contributions set forth in SLOCOE Policy #4351.

ARTICLE V
HOURS OF EMPLOYMENT

WORK YEAR

Work Year for Alternative Education and Special Education

5.1 The annual contract period shall consist of 186 days. Days beyond the state mandated days set for pupil contact may be used for staff development and class preparation.

5.2 Effective July 1, 2000, there is an additional 1.65% on-schedule salary increase in recognition of the addition of three (3) staff development days to teacher/therapist duty year for a total of 186 duty days per year (excluding child development programs). (Note: If the state eliminates or reduces funding, the salary schedule and workdays will be adjusted accordingly.)

5.3 A first-year employee's work year shall be 187 days. New employees may be required to work Extended School Year (ESY) for the first year of employment and on a rotating basis once every three years after that.

5.4 The work year for Juvenile Court School teachers is 186/187 days. These days may be scheduled over the 248 or 249-day instruction

year with mutual agreement between the program manager and teacher. These modifications may include a year-round schedule such as forty-five/fifteen or changing the traditional summer break to other seasons, and other modifications that are mutually developed. Any schedule consideration is meant to provide the teacher with flexibility and the program with consistency and high professional standards.

Work Year for Child Development Programs

5.5 The work year for State Preschool Program Teachers shall be 178 days.

5.6 The work year for First Five Program Supervisors and First Five Teachers shall be 181 days.

Extended School Year (Special Education only)

5.7 For ESY, teachers will be paid for a 5.5 hour work day. Acknowledging this commitment and service, teachers will have latitude and flexibility in the use of non-instructional time. (see also 3.8.2 and 3.8.3)

5.8 The number of employees' workdays and the employees' working hours for the mandatory ESY program shall be finalized by the Employer following the completion of Individual Education Plans (IEPs) for all students.

Summer School (Community School only)

5.9 Teachers will be paid for a 5.5 hour work day. Acknowledging this commitment and service, teachers will have latitude and flexibility in the use of non-instructional time.

Alternative Work Schedules

5.10 Alternative work schedules may include, but are not limited to, job shares, reduced work loads, and the reduced work schedule program per Education Code 22713.

5.10.1 When employees "share" one regular contract, salaries will be based upon the ratio of each employee's hours of service to a full-time employee's hours (e.g., three and one-half hours equals 50% of salary) (Article III – Salary, 3.7)

5.10.2 An employee with an assignment of less than a .5 Full Time Equivalent (FTE) is not eligible for health and welfare benefits. For employees with an assignment of .50 or greater FTE, the Employer shall prorate its contribution for health and welfare benefits based upon the ratio of the employee's FTE. For a job share assignment, the SLOCOE health and welfare contribution shall be shared equally or in a percentage that matches the work year of each member of the job-sharing team. Any member contributions that are necessary to maintain coverage must be received by the office in a timely manner. It is recommended that the employee consult with the State Teacher's Retirement System (STRS) representative to determine the impact of the assignment on his/her retire-

ment. (Article IV – Health and Welfare, 4.4)

5.10.3 Permanent (tenured) unit members who have satisfactory evaluations may apply to the Superintendent no later than March 1 of the preceding school year for consideration of an alternative work assignment. Employees shall be eligible for an Employer provided pre-retirement reduced-workload option pursuant to Education Code Section 22713. Under extenuating circumstances, the office will consider alternative work schedule assignments, including job share requests after the March 1st deadline referred to in this Article. Employees requesting alternative work schedules will be notified of the acceptance or denial of their request by April 30th. The following conditions must be met:

Job Shares:

- Each member of the team submitting job-sharing assignment request must meet all the credential and lob description requirements for the requested position.
- If an individual requests a job-sharing assignment, the SLOCOE must be able to employ a suitable replacement in the position being left vacant.

- The job-sharing assignment request must include a work schedule accompanied by the recommendation of the principal and director. The request must be approved annually.

WORK DAY

Work day for Alternative Education and Special Education

5.11 LENGTH OF THE WORK DAY: During the regular school year, the length of the workday for special education and alternative education, including preparation time, relief periods, and time required before and after school, shall be seven hours, or 35 hours per week. The employee's workday shall begin 30 minutes before the first scheduled class or activity and continue until the specified number of hours of work has elapsed.

Release Time for Alternative Education and Special Education

5.11.1 At the discretion of the supervisor, teachers may, after making prior arrangements, be granted release time for the following:

- Home or school observation of a child who is recommended for possible placement in that teacher's program.
- Attending staffing and IEP meetings for the children in their classes.
- Preparation of IEP's by employees. Teachers may schedule IEP meet-

ings at flexible times during the day and/or after school, using non-instructional time, administrative/support staff assistance with flexible scheduling, and/or requesting substitute coverage, to ensure that IEP requirement are met without the necessity for routine work outside the school day. It is understood that all regulations regarding appropriate staff attendance and participation in IEP's will be met, as well as adequate supervision and classroom instruction of students in the classroom.

Flexibility in Non-Instructional Time

5.11.2 It is recognized that teachers perform many professional duties outside the identified seven-hour workday. Mandated duties such as IEP meetings, parent conferences, and staff meetings significantly extend the teaching day past seven hours. Acknowledging this commitment and service, teachers will have latitude and flexibility in the use of non-instructional time during the seven-hour duty day. A duty day, beginning time and ending time, will be established. By notifying the Program Administrator, the teacher may take non-instructional time for personal convenience. This flexibility is not intended to change the duty-day hours on a regular basis, or to be used when

professional duties are scheduled during the non-instructional time.

Work day for Child Development Programs

5.12 The Child Development Programs are based upon available funding from the state. For State Preschool Teachers and First Five Preschool Program Supervisors, the length of the workday, including preparation time, relief periods, and time required before and after school, shall be five hours per day. For First Five Preschool Teachers, the length of the workday, including preparation time, relief periods, and time required before and after school, shall be four and a half hours per day.

Duty-free Lunch Period

5.13 There shall be a duty free lunch of no less than 30 minutes, which is not included in the workday.

Classroom Interruptions for all Teachers

5.14 To the extent repairs to classrooms are under the control of the Employer, they will be scheduled after classes have been dismissed for the day whenever possible. If repairs must be scheduled during class time, the teacher will be given a 24-hour notice of the scheduled activity whenever possible.

Professional Duties - MI Teachers

5.15 Each teacher is responsible for performing duties which are reasonably related to his/her regular assignment, depending upon the educational program and pupil needs.

5.15.1 Professional duties under the direction of the COE administration and required within the normal scheduled on-site hours (excluding lunch) include:

- Supervising pupils and activities related to the teacher's regular assignment.
- Participating in professional activities related to the teacher's regular assignment.
- Participating in staff development programs relating to the teacher's regular assignment.
- Other reasonable related duties as assigned.

5.15.2 Professional duties, which may routinely require work outside the described normal scheduled on-site hours, include:

- Planning and preparing lesson plans
- Selecting materials for instruction
- Reviewing and evaluating work of pupils
- Conferring with pupils and/or parents
- Keeping records
- IEP meetings
- Conferences with staff, teacher, parent and/or student
- Attendance at prescheduled staff meetings shall be limited to one per

month except in unusual circumstances

- Participating and supervising Back-to-School, Open House, information nights, and graduation/recognition ceremonies
- Child development parent education meetings

IEP meetings or meetings with other agencies shall be scheduled to start before 4:00 P.M. If an IEP meeting or meeting with other agencies is scheduled to start at 4:00 P.M. or later, with prior approval by the supervisor, and mutual agreement of the employee and supervisor as to the start time, teachers will be compensated for all time from 4:00 P.M. until the end of the meeting at their daily rate of pay. Meetings scheduled to start before 4:00 P.M., even if they extend beyond 4:00 P.M., will not be eligible for additional compensation. (See also 3.8)

Child Development- Additional Responsibilities

5.15.3 Required staff meetings for afternoon child development teachers, including travel time to the meeting site, shall be scheduled during the regular workday whenever possible. Child development teachers will be reimbursed for mileage at the rate authorized by the County Superintendent of Schools.

5.15.4 Student testing and assessments shall be conducted during regular child development class hours.

5.15.5 All arrangements for yearly support service screenings (vision, hearing, and dental) shall be made by the child development teacher. Ongoing support services (speech therapy, etc.) may be coordinated by the child development teacher.

Special Education – Non-Instructional Program- Related Duties

5.15.6 It is recognized that teachers in some county-operated classes are required to supervise and/or arrange supervision of the students to a greater extent than regular education teachers. This student supervision time (contact time) has increased with the program directive that mandates that county-operated classes be aligned with district classes for the daily beginning and ending times.

To address the instructional, supervision, and teacher preparation requirements during the workday, it is acknowledged that there is teacher judgment on blending these components. Teachers, through collaboration with the program supervisors, shall identify regularly scheduled periods during the student day that will allow for non-instructional program-related

work to be completed. It is also expected that there will be opportunities for the teacher to complete non-instructional program-related duties while students are on task and supervised by an Instructional Assistant or other approved supervisory staff.

Nothing in these statements is intended to distract or encroach on the instructional minutes as set by statute, or decrease the quality of instruction. It is acknowledged that non-instructional program-related duties are an essential part of the instructional program. Detailed planning, the completion of records, and IEPs are fundamental to the educational program.

Alternative Education and Special Education – Staff Development/In-services

5.15.7 The COE may require teachers to attend staff development/in-service only during the contract workday and work year. The COE may offer voluntary workshops which teachers may attend outside the contract workday and work year.

5.15.8 The In-service program shall be based upon an Annual Needs Assessment. For the purpose of this Article, "In-service" means programs paid for by the San Luis Obispo County Office of

Education and presented during the professional workday of the employees.

5.15.9 There shall be an In-service Committee which consists of the Assistant Superintendent of Student Services or designee and five volunteer teachers. The In-service Committee shall recommend to the Employer, and assist the Employer in implementing, an in-service training program. The In-service Committee shall seek out appropriate programs that will assist in fulfilling the professional needs of the staff.

ARTICLE VI
CLASS SIZE

6.1 The Association and the County Superintendent recognize that providing quality instruction and positive classroom environment is influenced by the support provided by federal and state governments, and the County Office of Education. It is further recognized that the County Office of Education has defined resources established through legislation at the federal and state levels, and that influence on future legislation will be a priority of the Association and County Superintendent. The County Superintendent and the Association leadership will continue to advocate support for education to the appropriate decision makers. Local education advocates and the County Office of Education staff will be informed and solicited for the purpose of influencing repre-

sentatives to the state and federal governments regarding education-related legislation. Under the Master Plan, the Employer shall attempt to maintain special day classes consistent with state requirements.

ARTICLE VII
VACANT POSITIONS/INVOLUNTARY MOVES

Vacant Positions

7.1 The Employer shall declare when a position is vacant. A vacant position is created by:

- Splitting a class.
- Combining classes.
- Creating a new class other than by splitting a class or combining classes.
- A non-returning teacher.

7.2 When a vacant position is to be filled, the Employer shall list criteria detailing unique needs of the students, required and desirable teaching skills relevant to the program, and other teacher duties that are required.

7.3 In planning for the upcoming school year, the Human Resources department will send an interest survey to all probationary and permanent certificated staff.

7.4 Upon the determination that a vacant position shall be filled, the Employer shall notify via e-mail (and U.S. mail if requested on the interest survey) all bargaining unit members of the vacancy. All notices of vacancies will be advertised for a minimum of six working days. Employees may apply for a transfer to a position

with the same job title by submitting a Letter of Interest to the Human Resources Department. An employee may apply for a position with a different job title or a promotion by completing an application.

7.4.1 All announcements shall include the job title; a brief description of the position and duties; required minimum qualifications; the job location (if known); the number of hours per day; the regular hours of work, days Per week, and months per year; the salary range; and the deadline for filing a letter of interest or application.

7.4.2 No final selection shall be made until after the closing date.

7.5 All requests for transfer will expire two weeks before the start of school. Requests will be considered beyond the two weeks before school starts. However, it is difficult to change assignments after this time due to impacts on SLOCOE programs.

7.6 All requests for transfer shall be considered and the employee will be interviewed.

7.7 The needs of students/clients will serve as the prime criterion when considering all applications. The following general criteria shall be included in the consideration of each application:

- The appropriate credentials, certificates, and authorizations held by the applicant.

- The applicant's qualifications by training and/or experience, including previous experience working with the particular type of students or age group.
- Commitment to the criteria as stated in the announcement of vacancy.
- Assessments of the applicant's performance in current and/or past assigned duties utilizing the personnel file.

If all criteria as listed above are met by two or more applicants, seniority (the employee's length of service to the SLOCOE) within the San Luis Obispo County Office of Education will be the deciding factor.

7.8 If a request is denied, the applicant may request a meeting to discuss the decision to deny the transfer. The applicant shall be given, upon written request, reasons for the denial in writing.

7.9 When a class is split as set forth in paragraph 7.1 of this Article, the existing teacher shall have first choice of either class that results from the split, as long as that teacher possesses the appropriate credentials, certificates, and authorizations for the assignment.

7.10 If a classroom is to be moved, the employee shall receive at least a 15-calendar day notice before the actual move occurs. The employee shall receive two days of release time or be paid two days at the substitute rate to organize and move materials and supplies. The employees will also have the equivalent of two days of classroom Instructional Assistant time.

7.11 The Employer shall fill Extended School Year (ESY) positions based upon employee requests to the extent that those requests fulfill the Employer's requirements for the educational program. Should the Employer be unable to fill any ESY positions with credentialed teachers through the polling process described above, new employees may be required to work ESY for the first year of employment and on a rotating basis every three years after that. Both parties agree to promote participation in ESY. Promotion may include, but is not limited to, flyers, posters, memos, e-mails, staff meeting discussions, etc. (see also Articles 3.8.2, 3.8.3 and 5.7)

Emergency/Short-Term Transfer

7.12 In an immediate program emergency where the interests of the program and the safety and interests of the students has been compromised through circumstances which were unforeseen, unanticipated, through no fault of the administration, and for which adequate time was not allowed for a regular solution, an employee may be transferred or reassigned on an emergency short-term basis. The selection and reassignment of an employee under this section will be done at the discretion of the Employer after an assessment has been made that determines that the selection will result in the least disruption of the existing program and the best possible solution for the students, but under no circumstances will this Emergency/Short-Term Transfer be implemented lightly or without due care and consideration of the

employee's preference. If, at the end of six (6) weeks, a permanent solution has not been implemented, the Emergency/Short-Term assignment shall not be extended by the Employer except in the case of a voluntary request from the employee. The employee shall be returned to his/her regular assignment. No employee may be assigned under this provision more than one time in any school year.

7.12.1 Emergency/Short-Term shall be defined as a period of time no longer than six (6) weeks. Every effort shall be made to terminate the Emergency Assignment sooner than six weeks and return the employee to his/her regular assignment.

7.12.2 Unforeseen shall be defined, in part, as a last minute resignation or termination of an employee, a catastrophic injury or illness that is expected to incapacitate the unit member for an extended period of time, or other incidents which are determined to be immediate and serious in nature.

7.12.3 The employee who is assigned under the Emergency/Short-Term provision shall be entitled to mileage reimbursement calculated round trip from their regular location to the Emergency location for the duration of the Emergency assignment at the standard rate that is established by the Employer at the time of the assignment.

7.12.4 The employee shall receive one day per week of the Emergency/Short-Term assignment up to a maximum total of three days of release time or be paid one day per week up to a maximum total of three days at the substitute rate, to organize materials and lesson plans for the Emergency assignment.

7.12.5 The employee who is assigned under the Emergency/Short-term provision will receive regular and frequent reports of the progress toward a solution and updated estimates of the end date of the assignment.

Involuntary Moves

7.13 An employee may be involuntarily transferred, reassigned, or transferred-reassigned by the Employer except as a reprisal for employee activity protected by the Act. "Transfer" is defined as the movement of an employee from one school site to another school site. "Reassignment" is defined as a change in teaching assignment from one subject discipline or age group to another subject discipline or age group at the same school site. "Transfer-reassignment" is defined as the movement of an employee at one school site to another school site, accompanied by a change in teaching assignment from one subject discipline or age group to another subject discipline or age group.

7.13.1 Except as set forth in paragraph 7.13 of this Article, no position shall be

filled by means of an involuntary transfer or reassignment if another qualified employee has requested to fill the position.

7.13.2 A written notice of an involuntary move shall be given to the employee as soon as possible and, except in cases of unusual circumstances, not later than May 1, for the following year.

7.13.3 An involuntary move shall be based upon area of credential and least seniority (as defined in this Article) as a certificated employee in the San Luis Obispo County Office of Education. The following general criteria shall also be included:

- The applicant's qualifications by training and/or experience, including previous experience working with the particular type of students or age group.
- Assessment of the applicant's performance in current and/or past assigned duties.

If all criteria listed above are met by two or more unit members, seniority date within the SLOCOE will be the deciding factor.

7.13.4 An involuntary move shall take place only after a meeting between the employee and the supervisor, if such a meeting is requested in writing by the employee. The employee shall have

the right to representation by the Association at the meeting and to be notified of the reasons for the move.

7.13.5 The employee to be involuntarily moved may indicate a preference of positions from a list of available vacancies.

7.13.6 The Employer may determine that an involuntary move is an appropriate response to an evaluation which specifies unsatisfactory performance. If so, the move shall not be made until completion of the remediation process pursuant to the evaluation process included in this Agreement and a determination that the unsatisfactory performance was not modified to the satisfaction of the evaluator,

A list of transfers and changes in assignments for the current school year as compared with the past school year will be made available to the Association upon written request.

ARTICLE VIII
LEAVES OF ABSENCE
ACCUMULATED LEAVE

Sick Leave

8.1 Every full-time employee shall be entitled to 10 days of sick leave for each year of employment. Part-time employees shall earn sick leave on the basis of the ratio of the part-time employment to full-time employment. An employee who is assigned to work an Extended

School Year shall receive one additional day of sick leave for that year.

8.1.1 An employee may use accumulated sick leave at any time during the school year for accident, illness, or quarantine and for medical examinations or treatments for self or immediate family members.

a. Unused sick leave shall accrue from school year to school year.

b. The Employer shall provide each employee with a written statement of accumulated and credited sick leave for the current school year as soon after the beginning of the school year as possible, but no later than November 1.

8.1.2 Employees must contact the Employer as soon as the need to be absent is known.

8.1.3 When the employee informs the Employer that the absence will be greater than one day, the employee must notify the Employer of an intention to return by 4:00 p.m. on the workday prior to the day of return.

8.1.4 An employee who has been on sick leave for three or more consecutive days, or who has had any surgical procedure, may be required to furnish a physician's verification of ability to return to work and render service to the Employer.

8.1.5 Female employees shall be entitled to utilize sick leave for the period of time required to be absent due to pregnancy or childbirth. The period of leave, including the date upon which the leave shall begin, shall be determined by the employee and her doctor. A statement from the employee's doctor as to the beginning date of the leave shall be filed with the Superintendent. The date of the employee's return to service shall be based upon her doctor's analysis and written verification of the employee's physical ability to render service to the Employer without limitations or restrictions.

8.1.6 If the employee has exhausted all available sick leave, the employee shall be entitled to an additional period of five school months extended sick leave/differential pay (See Ed. Code 44977). Upon written verification of a physician or practitioner, the amount of salary deduction in any month shall not exceed:

- The sum which was actually paid a substitute in the position; or
- If no substitute was employed, the amount which would have been paid to a substitute had one been employed for the remainder of the illness up to a total period of five school months.

OTHER LEAVES

Personal Necessity Leave

8.2 It is of mutual interest that the Personal Necessity Leave provides employees the opportunity to address circumstances which are serious in nature, cannot be expected to be disregarded, necessitate immediate attention, and cannot be dealt with outside the work day. It is further recognized that employees can, and will, be trusted to use personal integrity in determining the need for such leave. Finally, it is recognized that children learn best when their regular teacher is present in the classroom.

8.2.1 Up to ten days of sick leave may be used as Personal Necessity Leave per year. Personal Necessity Leave does not accumulate from year to year.

8.2.2 Whenever possible, employees must request this leave in advance to allow for adequate planning for coverage of duties.

8.2.3 The employer will not require employees to declare the specific reason of the use of this leave. The employee will complete a Request for Leave form indicating that the leave is a personal necessity.

8.2.4 Personal Necessity Leave shall be used for the purposes stated in 8.2 above and shall not be used for association business, personal gain, or recreational purposes.

Bereavement Leave

8.3 Every employee shall be entitled to five days of paid noncumulative leave of absence because of the death of any member of the employee's immediate family (as defined in 8.11 of this Article).

8.3.1 The Employer shall require the use of bereavement leave before other leave days are used for purposes allowed in this paragraph.

8.3.2 Bereavement leave shall not be deducted from sick leave.

8.3.3 Employees may receive up to one day of Bereavement Leave to attend the funeral of a student or former student.

General Leave

8.4 An employee may apply for a leave of absence on an unpaid basis for up to one year. The application may include a request for consideration of a two-year program. Letters of application are due to the Employer by May 1. A scheduled conference with the Superintendent shall be held unless there are unforeseeable circumstances. The Employer may, at its discretion, grant an unpaid leave to an employee for one year and issue an intent to renew for a second year to allow for a two-year program. At the conclusion of the first year, the additional year would be granted. The length of the leave, including beginning and ending dates, shall be mutually agreed upon by the employee and the Employer. Upon request, the Employer may extend the leave beyond one

year. No more than three employees will be granted leaves in a given school year.

Professional Organization Leave

8.5 An employee who is a state-level officer of an organization of professional employees in the employee's teaching field (e.g., speech pathology) shall be released for statewide meetings without loss of pay. The employee shall be responsible for one-half of the cost of a substitute, if one is used.

Health Leave

8.6 An employee may be granted a leave of absence without pay for reasons of poor health. Such leave is to be specified for a period not to exceed the employee's contract year. A written statement of need by a physician is required prior to the leave being granted. An extension of this leave can be granted at the discretion of the Superintendent.

Jury Duty

8.7 An employee shall receive leave without loss of pay for time the employee is required to be absent for jury duty. (San Luis Obispo Grand Jury duty is excluded from this provision.) An employee serving on jury duty shall receive regular salary for the period served. The fee received for jury duty, except for mileage and meal allowances, shall be signed over to the Employer.

Elective Public Office Leave

8.8 An employee who is elected to a federal, state, or county office shall be granted a leave of ab-

sence without pay for the duration of the term of office.

Professional Growth Leave

8.9 An employee may receive up to two days of release time with full pay, including registration fees, per diem, and travel allowance, to be used for the following activities: (1) conferences directly related to the employee's teaching field and (2) observation of model programs. Request for professional leave must be submitted to the program director through the appropriate supervisor two weeks in advance of the leave date. Additional release time for the above activities shall be at the discretion of the appropriate supervisor. An employee may request to attend professional meetings or conferences without reimbursement of per diem and travel expenses.

Industrial Accident and Illness Leave

8.10 An employee shall be entitled to industrial accident or illness leave for any job-related illness in an amount of up to a maximum of 60 workdays in any one fiscal year for the same accident. Should the leave overlap into the next fiscal year, only those days remaining at the end of the fiscal year shall be available for utilization by the employee.

8.10.1 Such benefits shall be in addition to other sick leave benefits provided by the Employer.

8.10.2 When entitlement to this leave has been exhausted, other sick leave shall be utilized.

8.10.3 Employees will report all job-related injuries and illnesses to the Employer within 24 hours of the occurrence, regardless of whether or not medical attention is required or whether or not time is lost from work. In the event that the employee's injury or illness prevents the filing of the report within the time limit, the report shall be filed as soon as possible.

8.10.4 The employee's report of an industrial accident or illness shall be kept on file in the Employer's office.

8.10.5 An employee's industrial accident leave shall be suspended automatically for any period the employee is not within the State of California unless prior approval of the Employer has been granted.

8.10.6 The employee shall endorse all wage loss checks received under the Workers' Compensation Law to the Employer. The Employer, after receipt of the endorsed check, shall issue the employee appropriate salary warrants for payments of the employee's full salary, and shall deduct normal retirement and other authorized deductions.

MISCELLANEOUS PROVISIONS

Immediate Family Defined

8.11 For the purposes of this Article, immediate family shall be defined as: mother, father, grandmother, grandfather, or grandchild of the

employee or the spouse of the employee, and the spouse, son, son-in-law, daughter, daughter-in-law, brother, brother-in-law, step-son, stepdaughter, sister, sister-in-law, step-brother, or step-sister of the employee or any relative of the employee living in the immediate household of the employee.

Verification of Ability to Return to Work

8.12 An employee absent under the provisions of paragraphs relating to extended illness, industrial accident leave, or health leave for 15 or more consecutive days, may be required to provide a physician's verification of ability to return to work and render service to the Employer without limitation or restriction prior to returning to work.

8.12.1 Notwithstanding the provisions of the above paragraph, an employee who is absent at any time for surgery shall be required to furnish a physician's verification of the employee's ability to return to work and render service to the Employer without limitation or restriction.

8.12.2 Employees on unpaid leaves of absence may, as long as the practice is allowed by the insurance company, continue their fringe benefit program eligibility by paying to the Employer the amount of money equal to the premiums for the various fringe benefit programs.

Provisions for Fringe Benefits

8.13 Employees on paid leaves of absence shall have all the Employer's contributions set forth in Article IV paid for them throughout the duration of the leave of absence.

Return from Leaves

8.14 An employee shall notify the Employer of his or her intent to return from a leave of absence no later than May 1 of the school year in which the leave is granted. Failure to notify the Employer by May 1 shall constitute the employee's resignation. Upon return from leave, the employee will return to the position held at the time leave was granted, or to as nearly identical a position as possible.

Concerted Activity

8.15 No employee may utilize or receive any leave provision when the employee or other employees engage in any concerted activity which interrupts the operation of the Employer.

Catastrophic Leave

8.16 Section 1 – Eligibility: A probationary or permanent (temporary employees are not eligible) employee who suffers from a catastrophic injury or illness that is expected to incapacitate the unit member for an extended period of time (more than ten days), or who is required to take time off from work to provide care for an immediate family member who suffers from a catastrophic injury or illness, shall be eligible to receive Catastrophic Leave donations from

other unit members subject to the restrictions and conditions outlined below:

8.16.1 Before using donated sick leave, the employee must have exhausted all accrued sick leave.

8.16.2 The Catastrophic Leave Committee determines that the employee is unable to work due to the employee's or his/her family member's catastrophic illness or injury.

8.16.3 The maximum amount of donated leave shall not exceed five school months.

8.17 Section 2 Requests for Sick Leave Donation: An employee who meets the eligibility requirements for Catastrophic Leave may request donation of sick leave from other unit members by submitting a "Catastrophic Leave Request for Donation Form" to the Human Resources Department. The request shall clearly specify the circumstances of the catastrophe and the amount of sick leave requested. Appropriate written verification of the catastrophic illness or injury must be included with the request. The unit member should be prepared to provide additional documentation on the nature and severity of the illness or injury, if requested. Catastrophic Leave will commence on the same day that the differential sick leave pay calendar begins. The employee will receive full pay, and the employee's differential pay rights will run concurrently with the Catastrophic Leave.

8.17.1 A committee consisting of two Employer representatives and two representatives appointed by the Association shall be established each fiscal year. One member shall serve as recorder. Minutes shall be kept. The committee shall consider all requests for sick leave donations. The committee may grant, partially grant, or reject a request. All deliberations are confidential and the decisions to grant or deny requests shall require mutual agreement. The decision of the committee is final and not grievable. A written copy of the committee's decision shall be provided to the requesting employee, to the Association, and to the Human Resources Department so that the sick leave can be transferred from the unit member donors to the member's account, if necessary.

8.17.2 Requesting employees should apply for donated sick leave prior to exhausting regular sick leave. At no time shall donated sick leave be applied to a pay period that has been closed and for which a pay warrant was issued.

8.17.3 Donated sick leave shall be established in an individual account for the recipient and will be utilized in a sequence that will use one day from each donor before utilizing the second day from each donor. Unused sick leave will be returned to the donor(s).

8.17.4 An employee who uses a donated sick leave day shall be paid at his/her regular daily rate. No distinction shall be made as to the differing pay rates of the donors or recipients.

8.17.5 An employee may not receive the benefits of this leave while receiving monies or leave from Workers' Compensation.

8.18 Section 3 - Donations for Catastrophic Leave:

8.18.1 Donated sick leave may not be used for industrial illness or injury accident.

8.18.2 Donations to the unit member will be made in one-day increments.

8.18.3 Unit members may only donate five (5) days per school year.

8.18.4 A sick leave donor may not donate sick leave that would cause his/her personal accrued sick leave to fall below (10) days.

8.18.5 The donor list shall be confidential.

8.19 Section 4 - Hold Harmless: The Association agrees that it will not file, on its own behalf or on behalf of any unit member, any grievance, claim, or lawsuit of any kind related to any attempt by a unit member to retrieve donated sick leave used by another unit member pursuant to this provision. The Association also agrees that it will not file, on its own behalf or on behalf of any unit member, any grievance, claim, or lawsuit of any kind which attempts to challenge in any way the legality or enforcement of this provision.

The Association agrees to indemnify and hold harmless the Employer from any loss or damages arising from the implementation of this provision. In the event of any grievance, claim, or lawsuit challenging the legality or enforcement of this provision, the Employer may terminate this provision upon written notice to the Association.

ARTICLE IX
CERTIFICATED EMPLOYEE EVALUATION PROCEDURES

9.1 These provisions constitute the procedures to be utilized for the evaluation and assessment of the instructional performance of certificated employees as set forth in California Education Code Sections 44660, et seq., commonly referred to as the "Stull Bill," or its successor.

9.1.1 The evaluations shall relate to:

- The progress of pupils toward the established standards of expected student achievement.
- The instructional techniques and strategies used by the employee.
- The employee's adherence to curricular objectives.
- The performance of non-instructional duties and responsibilities as set forth on adopted evaluation forms.
- The establishment and maintenance of a suitable learning environment

within the scope of the employee's responsibility.

- Compliance with the Employer's rules, regulations, and policies and applicable state and federal laws and regulations.

9.1.2 It is the responsibility of the Superintendent or designee to evaluate or provide for the evaluation of each certificated employee. Evaluation and assessment of certificated employee competence pursuant to this Article shall not include the use of publisher's norms established by standardized tests (Education Code Section 44661(d)).

9.1.3 Effective the beginning of the 2007-2008 school year, both parties agree to implement the 2000 evaluation system (attached as Appendix D1-D8).

9.2 The basis for the evaluation includes the items in paragraph 9.1.1 of this Article and the forms listed for the Evaluation Systems. If the employee disputes the evaluator's decision on the basis of the employee's evaluation, the employee may appeal the evaluator's decision to the Superintendent or designee.

9.2.1 2000 Evaluation System

a. The evaluation cycle consists of a formal evaluation which must occur at least every other year. A permanent teacher who is not meeting SLOCOE's expectations

(unsatisfactory on any of the identified criteria) will be placed on a formal evaluation in the subsequent year(s), and referred to the Peer Assistance and Review Program. Probationary teachers will be on probationary-cycle evaluation for two years, or until permanent status is granted, or teacher is non-reelected. A complete copy of the 2000 Evaluation System is attached as Appendices C1-C8 and, by virtue of the attachment, becomes a permanent part of this section of the Agreement.

- Components of the 2000 Formal Evaluation
  - ➢ Individual Orientation Conference
  - ➢ Pre-Observation Contact
  - ➢ Formal Observations
  - ➢ Post-Observation (feedback) Conference
  - ➢ Other data/input may include:
  - ➢ Informal Classroom Observations
  - ➢ Work Samples
  - ➢ Other Job Specific Data
  - ➢ Self-Evaluation
  - ➢ Summative Evaluation Report/Conference

- 2000 Evaluation System Documents
  - ➢ Timeline for Evaluating Permanent and Probationary
  - ➢ Certificated Evaluation Definitions
  - ➢ Certificated Staff Self-Evaluation Form (SEF001)
  - ➢ Certificated Staff Evaluation Form (SERF001)
  - ➢ Pre-Observation Data Sheet/Post-Observation Report (FOF001)
  - ➢ Certificated Staff Information Observation/Communication Form (IOF001)

9.3 Probationary employee evaluations shall be made on a continuing basis at least once each school year per Form attached in Appendix D1, D4.

9.3.1 During the process leading to the formal written evaluation, a probationary employee shall have at least two formal observations. In addition, informal observations may be made.

9.3.2 Each formal observation by the evaluator shall last a minimum of 30 minutes and will be scheduled with the employee prior to the observation. If the evaluator is unable to observe the prescheduled lesson in its entirety, alternative arrangements may be made.

9.3.3 Each formal observation shall be followed by a conference within two

workdays. At or before the conference, the employee shall receive a copy of the completed Classroom Observation Form (Appendix D6).

9.3.4 Each item marked as "needing improvement" or "unacceptable" shall be noted on the form, discussed with the employee, and a Certificated Performance Improvement Plan Form (Appendix D8) shall be written and implemented within 10 teaching days of the observation conference. A written list of specific recommendations for improvement shall be made.

9.4 Permanent employee evaluations shall be made on a continuing basis at least once every other school year and shall be concluded by the date set forth in the Stull Bill. Permanent employee evaluations that include "needs improvement" or "unacceptable" will be done yearly per form in Appendix D8.

9.4.1 During the evaluation process leading to the formal written evaluation, a permanent employee shall have at least one formal observation. In addition, informal observations may be made.

9.4.2 Each formal observation by the evaluator shall last a minimum of 30 minutes and will be scheduled with the employee prior to the observation. If the evaluator is unable to observe the pre-

scheduled lesson in its entirety, alternative arrangements may be made.

9.4.3 Each formal observation shall be followed by a conference within two workdays. At or before the conference, the employee shall receive a copy of the completed Report of Classroom Observation Form.

9.4.4 Each item marked as "needing improvement" or "unacceptable" shall be noted on the form, discussed with the employee, and a Performance Improvement Plan Form (Appendix DF) shall be written and implemented within 10 teaching days of the observation conference. A written list of specific recommendations for improvement shall be made.

9.5 Eligible certificated employees will be evaluated at least every five years for personnel with permanent status who have been employed at least ten years with the San Luis Obispo County Office of Education, are highly qualified as defined in 20 U.S.C. Sec. 7801, and whose previous evaluation rated the employee as meeting or exceeding standards, if the evaluator and certificated employee being evaluated agree. The certificated employee or the evaluator may withdraw consent at any time (Education Code 44664).

9.6 In the written evaluation for both probationary and permanent employees, the evaluator shall cite specific qualities, abilities, or deficiencies.

9.6.1 Any statement concerning instructional competency by a third party shall be submitted in writing and shall be verified by the evaluator prior to inclusion in the written evaluation.

9.6.2 The evaluation conference shall be conducted during non-student contact time unless appropriate supervision is provided.

9.6.3 Following the evaluation conference, the employee shall sign the evaluation to indicate that it has been reviewed and that the employee has received a copy. The employee's signature does not necessarily signify agreement with the evaluation.

9.6.4 The employee may prepare and submit a written response to the written evaluation within 10 workdays of the review.

9.6.5 Following the 10-day response period, the evaluation and response, if any, shall be placed in the employee's personnel file.

9.6.6 If deficiencies are noted, the evaluator may provide, or the employee may request, further continued periodic observations and conferences. An "Instructional Assistance Team" comprised of peers and/or other administrative personnel may be requested as a part of the remediation process.

- Participation in the Instructional Assistance Team is optional.
- All members of the Instructional Assistance Team will be informed if they are included on the employee's improvement plan.

9.6.7 If subsequent remedial actions on the part of the employee sufficiently modify the employee's performance and identified deficiencies to the satisfaction of the evaluator, a notification to that effect shall be attached to the evaluation.

9.7 No grievance arising under this Article shall challenge the substantive objectives, standards, or criteria determined by the evaluator or Employer, nor shall it contest the judgment of the evaluator; any grievance shall be limited to a claim that the procedures of this Article have been violated.

9.8 Provided that the requirements of the law pertaining to dismissal have been met, a violation of the procedural steps of this Article shall not prevent the Employer from taking action on the dismissal of an employee. Any procedural violation may be raised by the employee in the dismissal hearing requested by the employee, if one is required by law to be held.

ARTICLE X
PEER ASSISTANCE AND REVIEW PROGRAM

Purpose

10.1 The SLOCEA and SLOCOE strive to provide the highest possible quality of education. We believe that all teachers should focus on continuous improvement in professional practice and that teachers having difficulties can benefit from the assistance and review of colleagues. Therefore, the parties have cooperated in the design and implementation of this Peer Assistance and Review Program (PAR or Program) to improve the quality of instruction through opportunities for professional development and peer assistance. Teachers referred to, or who volunteer for, this Program are viewed as valuable professionals.

10.1.1 The program allows exemplary teachers to assist certain permanent and beginning teachers in the areas of teaching strategies, teaching methods, and subject matter knowledge.

10.1.2 The extent of the Program's assistance and review depends on whether the participating teacher (2) is a voluntary participating teacher or (3) is a participating teacher with an unsatisfactory evaluation in one or more of the areas of subject matter knowledge, instructional strategies, or classroom management.

10.1.3 The Program's assistance shall be provided through Consulting Teachers.

The assistance shall not involve the participation in, nor the conducting of, the annual evaluation of unit members as set forth in Article IX of this Agreement and Education code Section 44660 et seq.

10.1.4 Program resources shall be utilized in the following order:

- Tenured Teachers with an "Unsatisfactory" designation in one or more of the following areas on their final evaluation: planning, instruction, and/or management
- Voluntary Participating Teachers
- Professional Development

10.2 **Definitions:**

10.2.1 "Teacher": All certificated teachers, preschool teachers, nurses, speech/language pathologists, vision, orientation and mobility specialists, orthopedic impaired specialists, occupational therapists, and adapted physical education teachers.

10.2.2 "Participating Teacher": Any unit member who is a "teacher" and who either volunteers for, or is required by this Article to participate in, the Program.

10.2.3 "Consulting Teacher": An exemplary teacher meeting the requirements of Section E who is to provide Program assistance to a Participating Teacher.

10.2.4 "Mandatory Participating Teacher": A unit member with permanent status whose most recent performance evaluation contained an unsatisfactory designation in one or more of the following areas of their final evaluation: planning, instruction and management.

10.2.5 "Consensus": Five or more affirmative votes.

10.2.6 "Voluntary Participating Teacher": A permanent unit member who seeks to improve his/her teaching performance.

10.2.7 "Principal or Evaluating Administrator": The certificated administrator appointed by SLOCOE to evaluate a "Teacher."

PAR Committee

10.3 The PAR Committee shall consist of seven (7) members. Four (4) shall be "Teachers" who are chosen to serve by SLOCEA. SLOCOE shall choose three (3) administrators to serve on the PAR Committee. The SLOCOE and SLOCEA shall individually determine the method for selection and the qualifications to serve.

10.3.1 To promote continuity, appointees shall serve staggered three-year terms.

10.3.2 The PAR Committee shall establish its own meeting schedule. To meet, at least two-thirds of the PAR Committee must be present. Such meetings shall take place during the regular teacher workday with a grant of release time to

teachers, or during non-school time. Generally, the PAR Committee will meet within the panel's workday, however, work outside of the regular workday shall be compensated at the current curriculum rate.

10.3.3 The PAR Committee's primary responsibilities involve establishment of the annual budget for the Program and selection and oversight of the Consulting Teachers. In addition, the Committee is responsible for the following:

- Coordinate with the SLOCOE to provide training for the PAR Committee members and Consulting Teachers. New PAR panel members will receive an orientation as to the Program's purposes and functions.
- Establish procedures and regulations necessary to carry out the requirements of this Article, including a procedure for the selection of a Chairperson.
- Assign the Consulting Teachers.
- In conjunction with the Human Resources Director, send written notification of participation in the Program to the Mandatory Participating Teacher, the consulting Teacher, and the Evaluating Administrator.
- Assess the availability of resources and/or personnel to accommodate

the needs of the self-referred teachers.

- Use a consensus model for decision-making.
- Establish a procedure for application as a Consulting Teacher.
- Determine the number of Consulting teacher(s) or a percentage of a 1.0 full-time employee (FTE) in any school year, based upon participation in the PAR Program, the budget available, and other relevant considerations.
- Review and approve the initial plan prepared by the Consulting Teacher.
- Review the final report prepared by the Consulting Teacher regarding the progress in the PAR Program of the Mandatory Participating Teacher.
- Submit to the Superintendent and SLOCEA an annual evaluation of the Program's impact, including recommendations regarding Mandatory Participating Teachers. If necessary, the Consulting Teacher shall forward names of individuals who, after sustained assistance, are unable to demonstrate satisfactory improvement.

The annual PAR Program evaluation may include interviews of Pro-

gram participants, administrators, and others as deemed appropriate. This evaluation shall be in writing and shall be submitted at the same time that the proposed budget is submitted.

10.4 Not later than May 30 of each year, for the coming school year, the PAR Committee shall submit a proposed budget to the Superintendent.

10.4.1 The proposed budget shall be designed to carry out the provisions of this Article and shall take into consideration (1) the number of Consulting Teachers which will be required in the coming year in light of the projected level of participation in the Program, (3) the recommendations for improvement of the Program which were made in the annual report to the Board, and (4) other relevant factors.

10.4.2 The proposed budget shall not exceed the state funding allocation for the coming year as estimated by the SLOCOE's chief financial officer. This proposal shall be submitted in the form requested by the SLOCOE.

10.4.3 The PAR Committee shall recommend that the Superintendent authorize the necessary number of Consulting Teacher positions or any increase or decrease thereof. The Superintendent

will be provided the rationale for the request.

Program Participation

10.5 By Mandatory Participating Teachers:

10.5.1 Any tenured teacher with an unsatisfactory designation in planning, instruction, and/or management must participate in the Program.

10.5.2 The Mandatory Participating Teacher will be assigned a Consulting Teacher. If available, a different Consulting Teacher may be assigned to work with the Mandatory Participating Teacher either upon request of the Mandatory Participating Teacher or upon request of the Consulting Teacher. In either case, however, approval of the PAR Committee is required.

10.5.3 The Consulting Teacher's assistance and review shall focus on the area(s) designated unsatisfactory in the final evaluation.

- The Administrator and the Consulting Teacher assigned to the Mandatory Participating Teacher shall meet and discuss the recommended areas of improvement outlined by the Administrator and the types of assistance that should be provided by the Consulting Teacher.
- The Administrator's recommendations shall be in writing consistent

with certificated staff performance standards, clearly stated, and consistent with Education Code Section 44662. These recommendations will be considered the performance goals required by Education Code Sections 44664(a) and 44500(b)(2). SLOCOE shall provide sufficient staff development activities to assist a teacher to improve his or her teaching skills and knowledge. [Education Code Section 44500(b)(5).]

- The Consulting Teacher and the evaluating Administrator are expected to establish a cooperative relationship and shall coordinate and align the assistance provided to the Mandatory Participating Teacher.
- The Consulting Teacher and the Mandatory Participating Teacher shall meet to discuss the plan for assistance. After that meeting, the Consulting Teacher will provide the assistance which shall include conducting multiple observations of the Mandatory Participating Teacher in the performance of his/her job responsibilities.

10.5.4 The final report will be submitted to the PAR Committee at least 45 calendar days before the end of the Mandatory Participating Teacher's school year. The final report shall consist

solely of: (1) a description of the assistance provided to the Mandatory Participating Teacher; and (2) a description of the results of the assistance in the targeted areas. This report shall be submitted to the PAR Committee, with a copy also submitted to the Mandatory Participating Teacher and the Administrator.

10.5.5 The results of the teacher's participation in the Program shall be available for use as part of the Mandatory Participating Teacher's annual evaluation.

- The evaluating Administrator shall have the discretion as to whether, and how, to use the results set forth in the report in the annual evaluation.
- The Consulting Teacher's report on participation in the Program, as defined above, shall be made available to the SLOCOE for placement in the Mandatory Participating Teacher's personnel file, if the report is referenced by the Administrator in the evaluation.

10.5.6 After receiving the report, the PAR Committee shall determine whether the Mandatory Participating Teacher will benefit from continued involvement in the Program. The Mandatory Participating Teacher will continue participating in the Program until the

PAR Committee determines the teacher no longer benefits from participation in the Program, or the teacher receives a satisfactory evaluation, or the teacher is separated from the SLOCOE. The Superintendent has the sole authority to determine whether the Mandatory Participating Teacher has been able to demonstrate satisfactory improvement.

10.6 By Voluntary Participating Teachers

10.6.1 Permanent teachers who seek to improve their teaching performance may self-refer to the PAR Committee for intervention under this program. Voluntary Participating Teachers may be individuals who wish to grow and learn with assistance from a peer, or who seek assistance due to a change in assignment or the institution of new curriculum. The Program for Voluntary Participating Teachers will focus on practical application of either certain teaching skills or the acquisition of a new subject matter.

10.6.2 The Voluntary Participating Teacher must submit a request for professional growth in a specific, targeted area to the PAR Committee for approval and assignment of a Consulting Teacher. Upon approval by the PAR Committee, the Voluntary Participating Teachers shall notify his/her immediate supervi-

sor. Disclosure of the specific focus area is not required.

10.6.3 A Voluntary Participating Teacher who has received a "Needs Improvement" in one or more areas of his/her final evaluations may be given greater consideration for assistance.

10.6.4 The purpose of participation in the Program for the Voluntary Participating Teacher is for peer assistance only and the Consulting Teacher shall not participate in a performance review of the Voluntary Participating Teacher. The Voluntary Participating Teacher may terminate his or her participation in the Program at any time.

10.6.5 Neither the Consulting Teacher nor the PAR Committee will forward to the Superintendent the names of Voluntary Participating Teachers.

10.6.6 All communications between the Consulting Teacher and a Voluntary Participating Teacher shall be confidential. Without the written consent of the Voluntary Participating Teacher, such communication shall not be shared with others (this includes, but is not limited to, the site Administrator, the evaluator, or the PAR Committee).

Consulting Teachers (CT)

10.7 The qualifications for the Consulting Teacher shall, at a minimum, include:

10.7.1 A "Teacher" with permanent status.

10.7.2 Substantial (at least 5 years) recent experience in relevant instruction.

10.7.3 Demonstrated exemplary teaching ability, as indicated by, among other things, effective communication skills, subject matter knowledge, knowledge and commitment to SLOCOE curricular goals and standards, the California Standards for the teaching profession, and mastery of a range of teaching strategies necessary to meet the needs of the pupils in different contexts.

10.7.4 Ability to work cooperatively and effectively with other teachers and administrators, demonstrated effective leadership skills, and experience in working on school or SLOCOE committees.

10.7.5 Ability to communicate effectively orally and in writing.

10.8 Each applicant interested in serving as a Consulting Teacher must provide a letter of interest, resume, and two letters of recommendation from individuals with specific knowledge of his or her qualifications, as follows:

10.8.1 One reference from a SLOCOE Administrator or immediate supervisor.

10.8.2 One from another "Teacher" or another member of the educational community. All applications and references shall be treated with confidentiality. References shall be submitted directly to the

Human Resources Department by the author of the reference.

10.9 Consulting Teachers shall be selected by a consensus vote of the PAR Panel after a minimum of two (2) representative(s) of the PAR Panel have conducted a classroom observation and interview with each of the candidates. At least one teacher and one administrator shall participate in the classroom observation.

10.10 The term of the Consulting Teacher shall be one (1) year. The current Consulting Teacher may reapply for the position.

10.11 Release time and/or additional compensation will be awarded to the Consulting Teacher(s) by the PAR Panel based upon the number of the program participants. This position(s) may be designated by the PAR Panel as full or part-time.

10.12 Consulting Teacher(s) essential functions shall include, but are not limited to:

10.12.1 Assist Voluntary and Mandatory Participating Teachers by demonstrating, observing, coaching, conferencing, referring, or by other activities which, in their professional judgment, will assist the Participating Teacher in remedying the specific areas recommended for improvement by the evaluating Administrator.

10.12.2 Assist the Mandatory Participating Teacher in remedying the specific areas recommended for improvement by the evaluating Administrator by meet-

ing with the Mandatory Participating Teacher to develop a plan to assist the teacher in complying with the Performance Improvement Plan and to develop a process for assessing the teacher's participation in the Program.

10.12.3 Conduct multiple informal observations of the Mandatory Participating Teacher during the performance of his/her job responsibilities, and a minimum of two formal observations with both Pre-Observation and Post-Observation Conferences.

10.12.4 Monitor the progress of the Participating Teacher with an unsatisfactory designation in one or more areas on his/her final evaluation and shall provide periodic written reports to the teacher for discussion and review.

A "draft" copy of the Consulting Teacher's report shall be submitted to and discussed with the Mandatory Participating Teacher. The Mandatory Participating Teacher shall have ten (10) days to submit written comments to the Consulting Teacher before the report is finalized and presented to the teacher for signature. The Mandatory Participating Teacher's signing of the report does not necessarily mean agreement, but rather than he or she has received a copy of the report. The Consulting Teacher shall submit a fi-

nal report to the PAR Committee. The Mandatory Participating Teacher with an unsatisfactory evaluation shall have the right to submit a written response, within ten (10) working days, and have it attached to the final report.

Other Provisions

10.13 Functions performed by unit members as Consulting Teachers or members of the PAR Committee pursuant to this Article shall not constitute either management or supervisory functions as defined by Government Code Section 3540.1(g) and (m). Such unit members shall continue to enjoy all rights afforded to other bargaining unit members.

10.14 Unit members who perform functions as Consulting Teachers or PAR Committee members under this document shall have the same protection from liability and access to appropriate defense as other public school employees pursuant to Division 3.6 (commencing with Section 810) of Title 1 of the California Government Code.

10.15 All documents and information relating to a specific employee's participation in this Program is regarded as a personnel matter. Such records are, therefore, exempt from disclosure under the California Public Records Act (Government Code Section 6250, et seq.) as a personnel record.

10.15.1 The annual evaluation of the Program's impact, excluding any information on identifiable individuals,

shall be subject to disclosure under the Public Records Act.

10.15.2 The selection process for Consulting Teachers, to the extent it contains records related to identifiable individuals, will be treated as confidential and will not be disclosed except as required by law.

10.15.3 All documents related to the Program will be filed by the Human Resources Department separately from an individual's personnel file.

10.16 This Article shall not be grievable. Any claims that the Article has not been properly implemented shall be presented in writing to the PAR Committee with copies to the SLOCOE and SLOCEA. Any such claim shall be addressed in the annual report.

10.17 Expenditures for this Program shall not exceed the revenue received under AS-XXI.

10.18 Nothing in this Article shall, in any way, modify or affect the rights of the SLOCOE under provisions of the Education Code relating to the employment, classification, retention, nonreelection, or release of certificated employees.

ARTICLE XI

SAFETY CONDITIONS OF EMPLOYMENT

11.1 Employees of the San Luis Obispo County Office of Education shall be safety conscious in their own conduct and actions and shall cooperate with the Employer in the implementation of its safety program.

11.2 Employees shall report any unsafe or unhealthy conditions directly to their supervisors without reprisal.

11.3 There shall be a safety committee composed of 12 members. Four members shall be selected by the Employer, and four members shall be selected by the Exclusive Representative of the certificated employees and four members from the classified service. The committee shall:

11.3.1 Meet on a monthly basis on release time to review any accident reports and make recommendations for new programs of in-service safety training.

11.3.2 Receive and review reports of possible dangerous situations and make recommendations to the proper person for corrective action.

11.3.3 Determine which safety equipment is reasonably necessary or required to be furnished by the Employer.

11.4 The Employer shall not discipline an employee for the proper exercise of physical control over a student unless an investigation shows that the employee exceeded his or her authority under the provisions of Education Code Section 44807 or violated the provisions of Education Code Section 49001. The Employer will make training in the area of student control available.

ARTICLE XII

EMPLOYEE/MANAGEMENT RIGHTS TO INFORMATION AND COMMUNICATIONS

12.1 The Association's Interest Based Bargaining Team shall be granted reasonable release time for negotiating without loss of compensation.

12.2 The Association shall have the right to:

12.2.1 Access at reasonable times employee work areas.

12.2.2 Use the County Office of Education's mailboxes.

12.2.3 Use other reasonable means of communication with employees.

12.2.4 Release time for the Association President or designee to attend County Board of Education meetings. Substitute costs will be borne by the Employer.

12.2.5 Ten days leave for Association business per school year. Written notification shall be provided to the Superintendent as soon as the need is known. The Association shall reimburse SLOCOE for the cost of substitutes secured while the employee is on leave at the substitute rate of pay.

12.3 The Employer will provide the Association with a complete Board agenda and minutes prior to the Board meetings, public information (class size, statistical reports, budgetary information, etc.), and relevant fiscal information provided to the State Department of

Education. The costs of duplication of documents shall be borne by the Association.

12.4 There will be payroll deduction of Association dues upon receipt of a signed authorization from a certificated employee. This authorization may be canceled by giving a 30-day written notice to the Employer and the Association. An employee may modify the authorization once each school year. Should an employee modify the authorization a second, or subsequent time, there shall be a $5.00 processing fee, to be paid by the Exclusive Representative.

12.4.1 "Any bargaining unit member who is not a member of the Association shall pay to the Association a fee in an amount equal to membership dues, payable to the Association in the same manner as required for payment of membership dues. In the event that a bargaining unit member does not pay such fee directly to the Association, the Association shall so inform the Employer, and the Employer shall immediately begin automatic payroll deduction as provided in Education Code Section 45061 and in the same manner as set forth in this Article. There shall be no charge to the Association for such mandatory agency fee deductions."

12.4.2 Any bargaining unit member who is a member of a religious body whose traditional tenets or teachings include objections to joining or financially sup-

porting employees organizations shall not be required to join or financially support the Association as a condition of employment; except that such bargaining unit member shall pay, in lieu of a service fee, sums equal to such service fee to one of the following non-religious, non-labor organization, charitable funds exempt from taxation under Section 501(c)(3) of Title 26 of the Internal Revenue Code:

a. Camp Hapitok
b. Ronald McDonald House
c. Susan G. Komen for the Cure

To receive a religious exemption, the bargaining unit member must submit a detailed written statement establishing the basis for religious exemption. The Association executive board shall communicate in writing to the bargaining unit member its acceptance or rejection of the exemption. If accepted, the bargaining unit member shall make the payment to one of the charities named above. Such payment shall be made on or before the due date for cash dues/fees for each school year. Proof of payment shall be made on annual basis to the Association and the Employer as a condition of continued exemption from the payment of agency fee. Proof of payment shall be in the form of receipts and/or cancelled checks

indicating the amount paid, date of payment, and to whom payment in lieu of service fee has been made. No in-kind services may be received for payments, nor may the payment be in a form other than money such as the donation of used items. Such proof shall be presented on or before the due date for cash dues/fees for each school year."

12.4.3 "With respect to all sums deducted by the Employer pursuant to this Article, whether for membership dues or agency fee, the Employer agrees to remit such moneys promptly to the Association accompanied by an alphabetical list of bargaining unit members for whom deductions have been made, categorizing them as to membership or non-membership in the Association, and indicating any changes in personnel from the list previously furnished. This list shall be provided a minimum of once annually, as soon as possible after the start of the school year but no later than September 10th. The Association and the Employer agree to furnish to each other any information needed to fulfill the provisions of this Article."

12.5 An Interest Based Alliance will be established for the purpose of resolving issues of concern to the Employer and/or the Association. The Interest Based Alliance will meet by October 15

of each school year to establish a meeting schedule.

12.5.1 Any issue that presents an immediate or ongoing concern can be addressed by the Interest Based Alliance. This includes, but is not limited to contract issues, budget issues, issues between employees, and other work conditions. The Director of Human Resources and the Association designee will provide an agenda for the Interest Based Alliance meetings. It is also recognized that issues may arise that may not be on a planned agenda.

12.5.2 The Interest Based Alliance may refer an issue to another County Office of Education group/committee for discussion/action, such as Expanded Cabinet or Leadership Team.

12.5.3 The Interest Based Alliance will make minutes of the meetings available to all employees.

12.6 The Association and the County Superintendent of Schools recognizes and supports the San Luis Obispo County Office of Education's Vision, statement, Mission statement, Organizational Philosophy, and Standards and Expectations for staff.

12.6.1 All employees have a shared responsibility to create and maintain a positive climate within the workplace. To this end, the following standards and ex-

pectations shall apply to all staff in the performance of their duties:

- Treat each individual with dignity and worth.
- Assist each individual to realize her/his greatest potential in the use of talent and skills.
- Support teamwork and initiative.
- Interact with others in a professional, responsible, and respectful manner.
- Promote high expectations for performance and accountability to achieve established goals.
- Value quality, excellence, and continuous improvement.
- Support innovation and creativity.
- Model and promote clear, frequent, and honest communication within the organization.
- Recognize and reward excellence in performance.
- Utilize participatory decision-making and problem solving.

12.6.2 It is of mutual interest that the San Luis Obispo County Office of Education be competitive in attracting and hiring qualified teachers through salary, benefits, and work environment. It is also of mutual interest that the County Office of Education be equally competi-

tive in retaining qualified teachers by adherence to the Standards and Expectations for staff.

ARTICLE XIII
GRIEVANCE PROCEDURE

13.1 **Definitions**

13.1.1 "Grievance" shall mean an allegation by an employee that there has been a violation of one or more express provisions of this Agreement. No issues outside this contract may be subject to the grievance procedure.

13.1.2 "Grievant" shall mean an employee who is a member of the bargaining unit. The Association may grieve, with written authorization, on behalf of a unit member.

13.1.3 "Day" shall mean a day when the County Office of Education is normally open for business.

13.1.4 "Immediate supervisor" is the administrator having immediate jurisdiction over the grievant.

13.2. The grievant may elect to be represented by the Exclusive Representative at all formal levels of the grievance procedure and must inform the Employer in writing of such election prior to the first meeting.

13.2.1 The grievant, a designated bargaining unit representative, and witnesses, if any, participating in the processing of the grievance, shall suffer no loss in

pay if meetings or appointments are mutually scheduled by the Employer and the Exclusive Representative.

13.2.2 An employee may present a grievance to the Employer and have such grievance adjusted without the intervention of the Exclusive Representative.

- Any adjustment shall not be inconsistent with the terms of this Agreement.
- The Employer shall not agree to a resolution of the grievance until the Exclusive Representative has received a copy of the grievance and the proposed resolution and has been given an opportunity to file a response.

13.2.3 At all levels of the grievance procedure, the grievant shall provide the Exclusive Representative with all details and copies of correspondence relative to the grievance.

13.3 Once a grievance has been initiated, all matters of dispute relating to it which occur during the processing of the grievance shall become a part of and be resolved in the grievance proceeding.

Once a grievance has been resolved, or a final decision rendered, a grievant shall not been titled to initiate a new grievance on any matter or occurrence which properly could have been included in the first grievance.

13.4 The grievant may request an extension of the timeline if the time limit is extended beyond her/his work year. Failure of the grievant or the grievant's representative to adhere to the time limits of this Article shall constitute waiver of the grievance and acceptance of the Employer's action or decision at the appropriate level.

13.5 No reprisal will be taken by the Employer against any grievant or participant in the grievance procedure by virtue of such participation. All written materials pertinent to a grievance, except decisions which affect the employee's employment status, shall be filed separately from the personnel file of the grievant or any participant.

13.6 Until final disposition of the grievance takes place, the grievant shall conform to the original direction of the Employer.

Formal Level One

13.7 An employee may discuss any grievance with the immediate supervisor by requesting a meeting in writing within 10 days of the alleged violation. The immediate supervisor shall attempt to adjust the grievance and shall respond verbally within two days of the meeting.

Formal Level Two

13.8 Within 10 days of the occurrence or of first knowledge of the occurrence of the alleged violation of the Agreement, or within 10 days of the Level One meeting, the grievant shall pre-

sent the grievance in writing to the immediate supervisor.

13.8.1 The written grievance shall contain the following minimum information:

- The grievant's name.
- The date of filing.
- The date of the alleged violation.
- The specific Article(s) or section(s) violated.
- A brief description of the alleged violation.
- A brief synopsis of the informal conference.
- The specific relief requested.

13.8.2 Grievances not containing the required information shall be rejected as being improperly filed.

13.8.3 The grievant may request a conference with the immediate supervisor. The conference shall be held within 10 days of the request.

13.8.4 Within 10 days of receipt of the grievance by the supervisor or within 10 days of the conference, if one is requested, a written decision shall be issued to the grievant. If the supervisor does not respond within the time limit, the grievance is denied and the grievant may appeal to the next level.

Formal Level Three

13.9 In the event that the grievance is denied at Level Two, a written appeal to the Superintendent or designated representative shall be filed within 10 days of the issuance of the Level One denial decision.

13.9.1 The appeal shall contain all materials utilized in the prior level, including the decision rendered, if any, and a specific and concise statement of the reason for the appeal.

13.9.2 No new information, statements, or charges, if known at an earlier level, may be introduced by the grievant in any appeal. The issue shall be determined on the basis of one, and only one, set of facts and allegations.

13.9.3 The Superintendent or designated representative shall meet with the grievant within 10 days of the receipt of the appeal.

- The Superintendent or designee shall, within 10 days of the meeting, issue a written decision which shall be final and binding on the parties.
- Nothing contained herein shall deny an employee the right to seek judicial review.

ARTICLE XIV
CONCLUSION

Completion of Negotiations

14.1 This Agreement represents complete collective bargaining and full agreement by the parties in respect to wages, hours of employment, and other terms and conditions of employment which shall prevail during the term or terms hereof. Any matter or subject not herein covered has been satisfactorily adjusted, compromised, or waived by the parties for the life of this Agreement. The parties agree to meet and to negotiate further on any items of interest to either party during the term of this agreement.

Past Practices

14.2 The specific provisions of this Agreement shall prevail over any past practice or procedure of the Employer.

14.2.1 Since prior to the ratification of this Agreement, any past practice or procedure of the Employer was discretionary on the part of the Employer subject to Board policy, in the absence of a specific provision in this Agreement, any past practice or procedure is agreed to continue to be discretionary on the part of the Employer.

14.2.2 When references are made to statutes (e.g., Education Code), such references are informational only and do not subject the provisions of such statutes to

the grievance processes of this Agreement.

14.3 It is agreed and understood that the Employer retains all rights, powers, prerogatives, privileges, duties, and authorities vested in it by any source to manage, control, and direct the operation and affairs of the Employer except to the extent that such rights, powers, prerogatives, privileges, duties, and authorities are limited by express terms of this Agreement. The exercise of the rights, powers, prerogatives, privileges, duties, and authorities by the Employer, the adoption of policies, rules, regulations, and practices in furtherance thereof, and the use of judgment and discretion therewith shall be limited only by the express terms of the Agreement.

Severability

14.4 In the event that any portion of this Agreement is found to be unlawful by a court of competent jurisdiction, the rest of the Agreement shall remain in full force and effect. Should a federal or state agency with jurisdiction invalidate any portion of this Agreement, the parties shall meet to negotiate over the affected provision(s).

Continuation of Economic Benefits

14.5 Upon expiration of this Agreement, or of any interim salary or fringe benefit payment Article, employees who are reemployed for the following year shall be paid the same salary as for the final (or interim) year of the Agreement, and Employer contributions for fringe

benefits shall remain the same, until such time as a new Agreement is ratified by the parties or the duty to bargain has been completed.

Duration of Agreement

14.6 This Agreement shall be in full force and effect from the date of ratification by the parties to June 30, 2015, at which time this Agreement shall expire and become null and void.

14.6.1 The parties recognize the possibility that the Superintendent's ability to meet certain obligations set forth in this Agreement may be impaired, restricted, or limited by statutory or constitutional changes of which effects would reduce state and/or local income.

a. Should the Superintendent determine that such a situation has occurred and take action to implement modification of any provisions of this Agreement, the Superintendent shall notify the Exclusive Representative.

b. The Exclusive Representative shall have the right to negotiate the effect of such a modification only if it serves written notice to the Superintendent within five days of notice to the Exclusive Representative.

14.6.2 The parties agree that the salary schedules are attached as Appendix Al -A4.

ACCEPTED AND RATIFIED

By their signatures below, the signatories certify that they are authorized representatives of either the Employer or the Exclusive Representative as the contracting parties; that all actions necessary for the Employer or the Exclusive Representative to ratify and accept this Agreement as a binding and bilateral agreement have been completed in the manner required by that party and the law; and that this Agreement is hereby entered into without the need for further ratification and acceptance.

SAN LUIS OBISPO COUNTY SUPERINTENDENT OF SCHOOLS	SAN LUIS OBISPO COUNTY EDUCATION ASSOCIATION, CTA/NEA
/s/ Julian D. Crocker	*/s/ Julie Schuyler*
JULIAN D. CROCKER,	JULIE SCHUYLER
Superintendent of Schools	President
Date: 6/14/12	Date: 6/8/12

Appendix A-1

Sam Luis Obispo
County Office of Education

Teacher/Therapist Salary Schedule
Effective July 1, 2007

STEP	Pre-Credential (Emergency/ Provisional) *Annual*	Column I B.A. < 45 Semester units Fully Credentialed *Annual*	Column II B.A. + 45 Semester units or M.A. Fully Credentialed *Annual*	Column III B.A.+ 60 Semester units or MA + 15 Semester units *Annual*
1	$32,838.00	$40,915.00	$40,915.00	$40,915.00
2		$40,915.00	$40,915.00	$40,915.00
3	Years of service credit	$40,915.00	$40,915.00	$42,735.00
4	are earned while serving	$40,915.00	$42,579.00	$44,805.00
5	in pre-credential status.	$42,451.00	$44,675.00	$46,896.00

STEP	Pre-Credential (Emergency/ Provisional) *Annual*	Column I B.A. < 45 Semester units Fully Credentialed *Annual*	Column II B.A. + 45 Semester units or M.A. Fully Credentialed *Annual*	Column III B.A.+ 60 Semester units or MA + 15 Semester units *Annual*
6		$44,520.00	$46,739.00	$48,965.00
7		$46,586.00	$48,812.00	$51,060.00
8		$48,682.00	$50,905.00	$53,127.00
9		$50,748.00	$52,972.00	$55,192.00
10		$50,748.00	$55,065.00	$57,287.00
11		$50,748.00	$57,136.00	$59,359.00
12		$50,748.00	$57,136.00	$59,359.00
13		$50,748.00	$57,136.00	$59,359.00
14		$52,202.00	$62,299.00	$64,722.00
15		$52,202.00	$62,299.00	$64,722.00
16		$52,202.00	$62,299.00	$64,722.00
17		$52,202.00	$65,820.00	$68,382.00
18		$52,202.00	$65,820.00	$68,382.00

STEP	Pre-Credential (Emergency/ Provisional) *Annual*	Column I B.A. < 45 Semester units Fully Credentialed *Annual*	Column II B.A. + 45 Semester units or M.A. Fully Credentialed *Annual*	Column III B.A.+ 60 Semester units or MA + 15 Semester units *Annual*
19		$52,202.00	$65,820.00	$68,382.00
20		$52,202.00	$70,314.00	$76,731.00

Minimum Teacher pay is $34,000.

Based on **186** duty days *including* 3 staff development days.

$600 annually will be awarded for a Doctorate from a university or college accredited by the Western Association of Schools & Colleges.

Approved by the County Superintendent of Schools

/s/ Julian Crocker 12/6/07

Dr. Julian Crocker **Date**

Revised 11/19/07 with an increase of 4.53%, retroactive to 7/1/07.

For HR Reference only:
Revised 4/4/06: 1% to steps + addition of longevity retroactive to 2/1/06. Revised 4/23/07 retroactive to 7/1/2006: 3% longevity now incorporated into the cells. Salary Schedule completely restructured. Steps 1-13 increased 4.7%. Steps 14-19 increased 7.7% Step 20: Column I increased 7.7%, Column II increased 9.20%, Column III increased 14.7%

Appendix A-2

San Luis Obispo County Office Of Education

Educational Occupational Therapist Salary Schedule Effective retroactive to July 1, 2007

STEP	Column I B.A. + 44 Semester units Fully Licensed *Annual*	Column II B.A. + 45 Semester units or M.A. Fully Licensed *Annual*	Column III B.A.+ 60 Semester units or MA + 15 Fully Licensed *Annual*
1	$40,914.00	$40,914.00	$40,914.00
2	$40,914.00	$40,914.00	$40,914.00
3	$40,914.00	$40,914.00	$42,734.00
4	$40,914.00	$42,578.00	$44,804.00
5	$42,450.00	$44,674.00	$46,895.00
6	$44,519.00	$46,737.00	$48,964.00
7	$46,585.00	$48,811.00	$51,059.00
8	$48,681.00	$50,904.00	$53,126.00
9	$50,747.00	$52,971.00	$55,191.00
10	$50,747.00	$55,064.00	$57,286.00
11	$50,747.00	$57,135.00	$59,358.00
12	$50,747.00	$57,135.00	$59,358.00
13	$50,747.00	$57,135.00	$59,358.00
14	$52,201.00	$62,298.00	$64,721.00
15	$52,201.00	$62,298.00	$64,721.00
16	$52,201.00	$62,298.00	$64,721.00
17	$52,201.00	$65,819.00	$68,381.00
18	$52,201.00	$65,819.00	$68,381.00
19	$52,201.00	$65,819.00	$68,381.00
20	$52,201.00	$70,313.00	$76,730.00

Based on 186 duty days; 7 hour daily schedule

$600 annually will be awarded for a Doctorate from a university or college accredited by the Western Association of Schools & Colleges.

/s/ Julian D. Crocker 12/6/07

Julian D. Crocker **Date**

Revised 11/16/07 with an increase of 4.53%, retroactive to 7/1/07.

For HR Reference only:
Revised 5/03/07 retroactive to 7/1/2006. All previous longevity now incorporated into the cells. Salary Schedule completely restructured. Steps 1-13 increased 4.7%, Steps 14-19 increased 7.7%, Step 20: Column I increased 7.7%, Column II increased 9.20%, Column III increased 14.7% Revisions: July 2002, 12/2/2002, 4/4/06 (retroactive to February 1, 2006): 4/23/06 retroactive to 7/1/06

APPENDIX A-3

SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION

FIRST FIVE PRESCHOOL PROGRAM SALARY SCHEDULE

EFFECTIVE July 1, 2007

FIRST FIVE PRESCHOOL PROGRAM SUPERVISOR

STEP 1	STEP 1		STEP 2	STEP 2		STEP 3	STEP 3
Annual	Hourly		Annual	Hourly		Annual	Hourly
$25,744	$28.44		$27,026	$29.86		$28,368	$31.34

Annual salary based upon 181 duty days, 5 hours per day.

FIRST FIVE PRESCHOOL TEACHER

STEP 1	STEP 1		STEP 2	STEP 2		STEP 3	STEP 3
Annual	Hourly		Annual	Hourly		Annual	Hourly
$18,535	$22.75		$19,452	23.88		$20,422	$25.07

Annual salary based upon 181 duty days, 4.5 hours per day.

Approved by the County Superintendent of Schools:

/s/ Julian D. Crocker 12/6/07

Julian D. Crocker Date

Revised 4/30/07: 6.5% = 3% CTA unit longevity incorporated into the cells. All retroactive to 7/1/06 (excluding extended school '06)

Revised 12/3/07 4.53% retroactive to July 1, 2007

Appendix A4

2007-2008

SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION
3350 EDUCATION DRIVE, SAN LUIS OBISPO, CA 93405

STATE PRESCHOOL TEACHER SALARY SCHEDULE
Including Programs Within the Paso Robles School District Boundaries

Effective July 1, 2007

	*I**	*II**	*III**	*IV**	*V**
Years w/SLOCOE	40 Sem. Units*	80 Sem. Units	B.A. / B.S. or 120 Sem. Units	B.A./B.S. + 15 Sem. Units or 135 Sem. Units	B.A./D.S. +30 Sem. Units or 150 Sem. Units
1	$20,644	$21,078	$21,513	$21,948	$22,384
2	$21,663	$22,099	$22,535	$22,967	$23,403
3	$22,758	$23,192	$23,630	$24,065	$24,499
4	$23,893	$24,329	$24,762	$25,198	$25,636
5	$23,893	$24,329	$24,762	$25,198	$25,636
6	$23,893	$24,329	$24,762	$25,198	$25,636

	*I**	*II**	*III**	*IV**	*V**
Years w/SLOCOE	40 Sem. Units*	80 Sem. Units	B.A. / B.S. or 120 Sem. Units	B.A./B.S. + 15 Sem. Units or 135 Sem. Units	B.A./D.S. +30 Sem. Units or 150 Sem. Units
7	$24,341	$24,785	$25,226	$25,670	$26,117
8	$24,341	$24,785	$25,226	$25,670	$26,117
9	$24,341	$24,785	$25,226	$25,670	$26,117
10	$24,789	$25,241	$25,690	$26,144	$26,598
11	$25,499	$25,964	$26,426	$26,892	$27,360
12	$25,499	$25,964	$26,426	$26,892	$27,360
13	$25,499	$25,964	$26,426	$26,892	$27,360
14	$26,010	$26,484	$26,956	$27,430	$27,906

Schedule based on 178 duty days, 5 hours per day.

*** Range 1** (40 Sem. Units) Required for Regular Permit (24ECE + 16 General Ed.)

NOTE: Semester units must be approved by the Program Supervisor in order to advance to Range IV and Range V.

Substitute teacher rate:	$57.00 per day/plus mileage, effective 07/01/2001
** *Long Term Substitute rate:*	$64.00 per day/plus mileage, effective 07/01/2001

**A teacher who works 20 consecutive days in one assignment; upon the 21st day, will be paid retroactively to the first day at the long-term rate.

Approved by the County Superintendent of Schools

/s/ Julian D. Crocker	12/6/07
Signature	**Date**

Revised 4/23/07: All previous longevity now incorporated into cells. Salary Schedule completely restructured.

Steps 1-10 increased 4.7%, Steps 11-14 increased 7.7% Retroactive to July 1, 2006

11/16/07 4.53% cola retroactive to July 1, 2007

Appendix B

San Luis Obispo County Office Of Education

Stipends/Hourly
Effective December 1, 2010

CTA Agreement
Appendix B

Title	Support Factors	Support Hours	Amount
*BTSA Induction Coordinator	N/A	N/A	$2500 per year
BTSA Induction Mentor	N/A	N/A	$1300 per year
Teacher in learning role	N/A	N/A	Curriculum (First cell on appropriate salary schedule)
PAR Consulting Teacher	Supporting a Mandatory Participating Teacher	N/A	Daily rate of pay

Title	Support Factors	Support Hours	Amount
	Supporting a Voluntary Participating Teacher	1-5 hours of support per month	$1,105 per year (equals 85% of BTSA Mentor)
	Supporting a Voluntary Participating Teacher	6-10 hours of support per month	$1,300 per year (equals 100% of BTSA Member)

Annual stipends will be prorated for partial years.

*Not available until funding returns

Approved by the County Superintendent of Schools /s/Julian D. Crocker Date 6/2/11
Julian D. Crocker

Appendix C

San Luis Obispo County Office Of Education
HUMAN RESOURCES DEPARTMENT

CATASTROPHIC LEAVE
CERTIFICATED REQUEST FORM

Name (*print*): _____ Position: _____

How many days are being requested?_____
Site:_____

Status (*check one*) Full-time: _____ Part-time: _____

Signature: _____ Date: _____

I hereby request Catastrophic Leave for the following reasons: (attached additional page if necessary)

_____

_____

_____

I have read the San Luis Obispo County Office of Education's Catastrophic Leave Policy as provided in the CTA Contract (*the full text from the CTA Contract is attached for your reference*) and believe I meet all the eligibility requirements regarding myself and my immediate family (*immediate family shall be defined as: mother, father, grandmother, grandfather, or grandchild of the employee or the spouse of the employee, and the spouse, son, son-in-law, daughter, daughter-in-law, brother, brother-in-law, step-son, step-daughter, sister, sister-in-law, step-brother, or*

step-sister of the employee or any relative of the employee living in the immediate household of the employee. I understand that it is necessary to provide the appropriate written verification from the attending physician stating the catastrophic illness or injury, type of leave needed, and projected length of leave needed (*please attach to this form*). Return this form with attachment(s) to the attention of Beth Summers at the San Luis Obispo County Office of Education Human Resources Department.

If this application is approved (*check one*):

( ) I will solicit donations for leave on my own and want this application kept confidential.

( ) I authorize Human Resources to release only my name to other SLOCOE employees in a request for donation to unit members.

Date reviewed:_____

Request approved ( )

Request denied ( ) Reason:_____

_____

_____

Catastrophic Leave Committee Designee Signature:

_____

Date:_____

Attachment: CTA Contract, Catastrophic Leave

APPENDIX C

Catastrophic Leave

8.16 Section 1 – Eligibility: A probationary or permanent (temporary employees are not eligible) employee who suffers from a catastrophic injury or illness that is expected to incapacitate the unit member for an extended period of time (more than ten days), or who is required to take time off from work to provide care for an immediate family member who suffers from a catastrophic injury or illness, shall be eligible to receive Catastrophic Leave donations from other unit members subject to the restrictions and conditions outlined below:

8.16.1 Before using donated sick leave, the employee must have exhausted all accrued sick leave.

8.16.2 The Catastrophic Leave Committee determines that the employee is unable to work due to the employee's or his/her family member's catastrophic illness or injury.

8.16.3 The maximum amount of donated leave shall not exceed five school months.

8.17 Section 2 - Requests for Sick Leave Donation: An employee who meets the eligibility requirements for Catastrophic Leave may request donation of sick leave from other unit members by submitting a "Catastrophic Leave Request for Donation Form" to the Human Resources Department. The request shall clearly specify the circumstances of the catastrophe

and the amount of sick leave requested. Appropriate written verification of the catastrophic illness or injury must be included with the request. The unit member should be prepared to provide additional documentation on the nature and severity of the illness or injury, if requested. Catastrophic Leave will commence on the same day that the differential sick leave pay calendar begins. The employee will receive full pay, and the employee's differential pay rights will run concurrently with the Catastrophic Leave.

8.17.1 A committee consisting of two Employer representatives and two representatives appointed by the Association shall be established each fiscal year. One member shall serve as recorder. Minutes shall be kept. The committee shall consider all requests for sick leave donations. The committee may grant, partially grant, or reject a request. All deliberations are confidential and the decisions to grant or deny requests shall require mutual agreement. The decision of the committee is final and not grievable. A written copy of the committee's decision shall be provided to the requesting employee, to the Association, and to the Human Resources Department so that the sick leave can be transferred from the unit member donors to the member's account, if necessary.

8.17.2 Requesting employees should apply for donated sick leave prior to exhausting regular sick leave. At no time shall donated sick leave be applied to a pay period that has been closed and for which a pay warrant was issued.

8.17.3 Donated sick leave shall be established in an individual account for the recipient and will be utilized in a sequence that will use one day from each donor before utilizing the second day from each donor. Unused sick leave will be returned to the donor(s).

8.17.4 An employee who uses a donated sick leave day shall be paid at his/her regular daily rate. No distinction shall be made as to the differing pay rates of the donors or recipients.

8.17.5 An employee may not receive the benefits of this leave while receiving monies or leave from Workers' Compensation.

8.18 Section 3 - Donations for Catastrophic Leave:

8.18.1 Donated sick leave may not be used for industrial illness or injury accident.

8.18.2 Donations to the unit member will be made in one-day increments.

8.18.3 Unit members may only donate five (5) days per school year.

8.18.4 A sick leave donor may not donate sick leave that would cause his/her personal accrued sick leave to fall below (10) days.

8.18.5 The donor list shall be confidential.

Appendix-D1

CERTIFICATED STAFF

Timeline for Evaluating Permanent and Probationary

PROBATIONARY EMPLOYEES CYCLE (2 Years)	
Activities	**Timeline**
1. Group Orientation	Within 10 days of hire or the beginning of school, whichever is sooner.
2. Orientation Conference	Prior to October 1
3. Pre-Observation Conference (minimum of two)	One prior to December 20 One prior to March 1
4. Formal Observation (***Form: FOF001***)	One prior to January 15 One prior to March 1
5. Post Observation (***Form: FOF001***)	Within five working days of Formal Observation
6. Informal Observation Notation (***Form: IOF001***) ***(Minimum of two in probationary period)***	It is expected that there will be informal contacts throughout the school year including professional observations such as parent conferences, IEP's, student meetings, agency meetings, or other opportunities outside the instructional setting.
7. Summative Report (***Form: SERF001***)	Due prior to Summative Conference (30 calendar days before the end of the school year)
8. Self-Evaluation Verifi-	Due on or before April 1

cation (***Form: SEF001***) 9. Summative Conference	
10. Upon successful completion of probation, the first year as a permanent employee, the teacher shall not be formally evaluated.	None.

Permanent Employees Formal Evaluation	
Activities	**Timeline**
• Individual Orientation Conference	November 15
• Formal Observation Cycle (***Form: FOF001***)	Prior to March 1
• Informal Observation (***Form: IOF001***)	Ongoing (see Definitions)
• Self-Evaluation Verification (***Form: SEF001***) Summative Evaluation	Due 30 days before the end of the school year

SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION

Julian D. Crocker, Superintendent

Certificated Evaluation Definitions

Appendix-D2

(Alphabetically)

Evaluation Term	Definition/ Requirements	Form (if applicable)
Data Collection File (Evaluator document)	• *Data collected by evaluator (e.g., client satisfaction surveys, bulletins, correspondence, observations, etc.).* • *All contents must be signed by both evaluatee and evaluator at the time item is placed in file.* • *Signature indicates knowledge only and does not indicate agreement.* • *Contents retained through the current 2-year cycle only.* • *New Data Col-*	

Evaluation Term	Definition/ Requirements	Form (if applicable)
	lection File shall be established at the beginning of a new cycle. • *For a period of two (2) years the evaluator shall keep the data collection file with the exception of the work sample file, which will be kept by the evaluatee.* • *Do not send to Human Resources Department.*	
Evaluation Year (Permanent staff only)	• *School Year/Fiscal Year*	

Evaluation Term	Definition/ Requirements	Form (if applicable)
Formal Observation/ Contacts	• *Time of observation/ contact to be mutually established* • *Length: Minimum of 30 minutes* • *Post-Observation Conference must be held within five 5 working days following formal observation/ contact.*	Pre-Observation Data Sheet/ Post-Observation Report *Form: FOF001*
Informal Observation- (2 in probationary period)	*It is expected that there will be informal contacts throughout the school year including professional observations such as parent conferences, IEP, student meetings, agency meetings, or other opportunities outside the instructional setting.*	Informal Observation/ Communication *Form: IOF001*
Orientation Conference	• *Purpose: Explain and clarify eval-*	

Evaluation Term	Definition/ Requirements	Form (if applicable)
(individual or group)	*uation system and timelines* • *If hired at start of school, at first staff meeting (Probationary)* • *If hired after the beginning of school, make appointment with Human Resources Director (Probationary)* • *First staff meeting (Permanent)*	
Pre-Observation Conference	• *Purpose to review the lesson plan and mutually establish the focus of the observation based on criteria.* • *Contact may be facilitated by phone conference, email, fax, or U.S. Mail.* • *Precedes all formal observations*	*Form: FOF001*

Evaluation Term	Definition/ Requirements	Form (if applicable)
Probationary Period	• *Two complete consecutive years (Ed. Code 44929.21) (Complete school year for probationary employee, defined in Ed. Code 44908)*	
Retention/ Replacement on Evaluation Year Cycle	An employee who is deemed unable or unwilling to meet the SLOCOE's standards will be placed (or retained) on the Evaluation Year Cycle.	
Self Evaluation:	• *Pre-Observation Contact* • *Formal Observations* • *Post-Observation (feedback) Conference* • *Other data/input may include:* ➢ Informal	*Form: SEF001*

Evaluation Term	Definition/ Requirements	Form (if applicable)
	Classroom Observations ➢ Work Samples ➢ Other Job Specific Data ***Required:*** Verification form certifying self-evaluation must be turned in on or before the Permanent Summative Evaluation Conference. The actual self-evaluation document may be shared with evaluator at the discretion of evaluatee but is not retained in the Data Collection File.	
Summative Evaluation Components	1. Written Report ➢ Due at conclusion of formal evaluation ➢ Placed in	

Evaluation Term	Definition/ Requirements	Form (if applicable)
	Personnel File 2. Conference ➢ Scheduled at mutually agreed upon time, but not later than 30 days before end of school	

SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION

Julian D. Crocker, Superintendent

Certificated Staff

Appendix-D3

SELF-EVALUATION FORM

By my signature below, I certify that I have completed a self-evaluation using the criteria listed on Form SERF001. I understand that the actual self-evaluation may be shared with my evaluator at my discretion (optional), but will not be retained in the Data Collection File.

_____ _____

Employee's Name **Social Security No.**
(Please print or type)

_____

Employee's Signature

_____

Date

SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION
Julian D. Crocker, Superintendent
Certificated Staff Evaluation Form

Appendix-D4

Evaluatee: **Classification:**

Department: **Rating Period:**

OVERALL EVALUATION RATING
(Complete all three pages)

Check one: ☐ **Formal Evaluation** ☐ **Temporary**

The employee is to be given a general rating which is felt to best describe his/her overall performance. Comments in support of the rating should be included.

PROBATIONARY:

☐ 1. At this time the employee's overall performance meets or exceeds the standards and requirements of the San Luis Obispo County Office of Education. The employee will be recommended for employment/reemployment.

☐ 2. The employee is not meeting the standards and requirements of the San Luis Obispo County Office of Education. The employee will not be recommended for employ-

ment/reemployment.

PERMANENT:

☐ 1. At this time the employee's overall performance meets or exceeds the standards and requirements of the San Luis Obispo County Office of Education. The employee will be recommended for employment/reemployment.

☐ 2. At this time the permanent employee's overall performance is deficient in meeting the standards and requirements of the San Luis Obispo County Office of Education. The employee exhibits potential for improvement and will be placed/or continue on formal evaluation.

☐ 3. At this time, the permanent employee has an unsatisfactory evaluation in one or more areas of subject matter knowledge, instructional strategies, or classroom management, and is referred to the Peer Assistance and Review Program. The employee will be placed/or continue on formal evaluation.

☐ 4. The employee is not meeting the standards and requirements of the San Luis Obispo County Office of Education. The employee will not be recommended for employment/reemployment.

NOTE: Prior to completing the* final probationary evaluation, *the supervisor must review the evaluation with the Human Resources Director. To Schedule an appointment with the Human Resources Director, call the Human Resources Division Secretary at 782-7233.

Narrative Summary Evaluation:

Response: (Employee has the right to initiate a written rebuttal to the performance appraisal within five (5) working days. Such response shall become a permanent attachment to the employee's personnel file.)

Evaluatee's Signature: _____ **Date:** _____

(Note: A signature on this performance appraisal does not mean that the employee agrees with the opinions expressed, but merely indicates that the employee has read the performance appraisal and has been given the opportunity for discussion, comments, and written response.)

Evaluator's Signature: _____ **Date:** _____

HR Director Signature: _____ **Date:** _____

Original: Personnel Department ***Copy: Employee*** ***Copy: Personnel File***

SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION
Julian D. Crocker, Superintendent

Appendix-D5

CERTIFICATED
SUMMATIVE EVALUATION REPORT FORM

DIRECTIONS: Place a check mark on the appropriate line for the rating of each criterion. A comment space has been provided. Use of this space is encouraged. When a Distinguished or Unsatisfactory rating is given, comments must be written. Each criterion is to be rated.

DEFINITIONS: ***Distinguished:*** There is evidence that this effective behavior and/or professional responsibilities exceeds expectations.

Accomplished: There is evidence that this effective behavior and/or professional responsibilities is consistently exhibited.

Growth Area: There is evidence that many of the components of effective behavior and/or professional responsibilities have not been met yet, growth is needed.

Unsatisfactory: There is evidence that this effective behavior and/or professional responsibilities is not exhibited with any degree of quality.

Criteria	Levels of Performance (*mark one*)							
Performance Area I: planning	**Distinguished**	**X**	**Accomplished**	**X**	**Growth Area**	**X**	**Unsatisfactory**	**X**
1. Demonstrates effective planning skills.	Demonstrates flexibility and creativity within an overall plan.	☐	Plans the use of teaching resources including time, materials, and equipment effectively.	☐	Plans the use of teaching resources ineffectively.	☐	Does not plan the use of teaching resources.	☐
Comments:								
2. Displays a thorough knowledge of prescribed curriculum.	Shows initiative and leadership in the review and development of curriculum.	☐	Learning content relates to approved curriculum	☐	Learning content is marginally related to approved curriculum.	☐	Learning content does not reflect approved curriculum	☐
Comments:								

Criteria	Levels of Performance (*mark one*)							
3. Provides opportunities for individual differences.	Diagnoses individual student learning styles and provides instruction accordingly.	☐	Provides for individual rates of learning and student capabilities.	☐	Shows little concern for individual differences.	☐	Does not provide for individual differences.	☐
Comments:								
4. Sets high expectations for student achievement.	Uses student achievement data daily for setting high expectations for student achievement-	☐	Effectively sets high expectations for student achievement.	☐	Uses data about student achievement which is marginal when setting expectations.	☐	Does not set high expectations for student achievement.	☐
Comments:								
Performance Area II Instruction	**Distinguished**	**X**	**Accomplished**	**X**	**Growth Area**	**X**	**Unsatisfactory**	**X**

Criteria	Levels of Performance (*mark one*)							
5. Implements the lesson plan.	Implements the lesson plan in a manner that could serve as an exemplary model.	☐	Implements the lesson plan effectively.	☐	Marginally implements the lesson plan.	☐	Inappropriately implements the lesson plan.	☐
Comments:								
6. Motivates students.	Motivates students to achieve beyond previous performance levels.	☐	Clearly motivates students to perform assigned tasks according to their abilities.	☐	Inconsistently requires students to perform according to their abilities.	☐	Unrealistic expectations dissuade students from performing to their abilities.	☐
Comments:								
7. Communicates effectively with the students.	Uses a variety of verbal and nonverbal technique ef-	☐	Communications are clear and relevant dialogue is en-	☐	Communications are clear but student input is not	☐	Communications are unclear: students appear con-	☐

Criteria	Levels of Performance (*mark one*)							
	fectively.		couraged.		encouraged.		fused.	
Comments:								
Performance Area III Management	**Distinguished**	**X**	**Accomplished**	**X**	**Growth Area**	**X**	**Unsatisfactory**	**X**
8. Organizes the classroom for effective use of instructional time and resources.	Demonstrates exemplary individual and collaborative use of time, materials, and resources.	☐	Utilizes carefully structured instructional practices to organize the classroom environment.	☐	Organization is evident only occasionally.	☐	Organization is ineffective.	☐
Comments:								
9. Sets high standards for student behavior.	Promotes student self-management.	☐	Establishes rules which are fair.	☐	Inconsistently sets high standards for student behavior.	☐	Does not set high standards for student behavior.	☐
Comments:								

Criteria	Levels of Performance (*mark one*)							
10. Meets established standards for student performance.	Concentrates on high standards for *all* students to meet.	☐	Challenges *all* students to meet performance standards.	☐	Occasionally meets established standards for student performance.	☐	Does not attempt to meet established standards.	☐
Comments:								
Performance Area IV Positive Interpersonal Relations	**Distinguished**	**X**	**Accomplished**	**X**	**Growth Area**	**X**	**Unsatisfactory**	**X**
11. Demonstrates effective interpersonal relationships.	Involves students in activities to create an understanding and acceptance of all individu-	☐	Maintains effective interpersonal relationships with others.	☐	Intermittently demonstrates effective interpersonal relationships.	☐	Does not demonstrate effective interpersonal relationships.	☐

Criteria	Levels of Performance (*mark one*)							
	als.							
Comments:								
12. Promotes positive self-concept, responsibility, and self-discipline in students.	Encourages all students to demonstrate responsible behaviors in a wide variety of settings.	☐	Provides opportunities for students to demonstrate positive self-concept, responsibility, and self-discipline.	☐	Inconsistently provides opportunities for students to demonstrate positive self-concept, responsibility, and self-discipline.	☐	Discourages students from being self-disciplined through constant exposure to activities requiring supervision.	☐
Comments:								
Performance Area V Professional Responsibilities	**Distinguished**	**X**	**Accomplished**	**X**	**Growth Area**	**X**	**Unsatisfactory**	**X**
13. Demon-	Promotes colle-	☐	Regularly par-	☐	Habitually	☐	Does not partic-	☐

Criteria	Levels of Performance (*mark one*)							
strates collegial teamwork and collaboration.	gial teamwork and collaboration with others.		ticipates as a team member.		needs to be reminded about collegial teamwork and collaboration.		ipate in teamwork activities.	
Comments:								
14. Supports organizational regulations and policies.	Informs, participates, and assists in the development and review of regulation and policies.	☐	Supports all regulation and policies.	☐	Intermittently supports regulation and policies.	☐	Openly refuses to comply with regulation and policies.	☐
Comments:								

Criteria	Levels of Performance (*mark one*)							
15. Effectively utilizes professional growth opportunities.	Initiates and encourages other staff members to utilize professional growth opportunities.	☐	Seeks out and voluntarily participates in relevant professional growth opportunities.	☐	Is involved in professional growth opportunities when directed.	☐	Shows no interest in professional growth opportunities.	☐
Comments:								

Evaluatee's Signature: _____ Date: _____

(Note: A signature on this performance appraisal does not mean that the employee agrees with the opinions expressed, but merely indicates that the employee has read the performance appraisal and has been given the opportunity for discussion and written comment. The employee has the right to initiate a written rebuttal to all or part of the performance appraisal within five (5) working days. Such response shall become a permanent attachment to the employee's personnel file.)

Evaluator's Signature: _____ Date: _____

Reviewer's Signature: _____ Date: _____

SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION

Julian D. Crocker, Superintendent

CERTIFICATED STAFF

Appendix-D6

CLASSROOM OBSERVATION FORM

(FILLABLE)

Evaluatee: Location: Date: Time:

PRE-OBSERVATION DATA (briefly *list three (3) work behaviors from the criteria.*):

1.

2.

3.

POST-OBSERVATION/FEEDBACK

OVERALL PERFORMANCE

STRENGTHS:	**CONCERNS:**

_____ _____

Evaluatee **Date**

_____ _____

Evaluator **Date**

SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION

Julian D. Crocker, Superintendent

SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION

Julian D. Crocker, Superintendent

Appendix-D7

CERTIFICATED STAFF

INFORMAL OBSERVATION/ COMMUNICATION FORM

School: **Teacher:** **Period/Time:** **Date:**

_____

Supervisor's Signature

Original-Teacher Copy-Supervisor

SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION

Julian D. Crocker, Superintendent

CRITERIA

Performance Area I, Planning:

- Demonstrates effective planning
- Displays a thorough knowledge of prescribed curriculum
- Provides opportunities for individual differences
- Sets high expectations for student achievement

Performance Area II, Instruction:

- Implements the lesson plan
- Motivates students
- Communicates effectively with the students

Performance Area III, Management:

- Organizes the classroom for effective use of instructional time

CRITERIA

Performance Area IV, Positive Interpersonal Relations:

- Demonstrates effective interpersonal relationships
- Promotes positive self-concept, responsibility, and self-discipline in students

Performance Area V, Professional Responsibilities:

- Demonstrates collegial teamwork and collaboration
- Supports organizational regulations and policies
- Effectively utilizes professional growth opportunities

and resources

- Sets high standards for student behavior
- Meets established standards for student performance

SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION

Julian D. Crocker, Superintendent

SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION

Julian D. Crocker, Superintendent

Appendix-D8

CERTIFICATED STAFF
PERFORMANCE IMPROVEMENT PLAN

Evaluatee Assignment Date

Performance area needing improvement: *(Check one)* ☐ **Planning** ☐ **Instruction** ☐ **Management** ☐ **Positive Interpersonal Relations** ☐ **Professional Responsibilities**	**Criterion from Summative Evaluation Report on Performance Improvement Plan is based:**
I. GOAL (General Intent) **(Focus statement is necessary for "Needs Improvement.")**	

II. ACTIVITIES (Specific & Measurable) TIMELINE *(Sequence activities, and indicate when it will be addressed or completed.)*	**Timeline**

SAN LUIS OBISPO COUNTY OFFICE OF EDUCATION

Julian D. Crocker, Superintendent

This PIP was:

- ☐ **Fully Accomplished**
- ☐ **Partially Accomplished**
- ☐ **Not Accomplished**

EVALUATOR'S COMMENTS:

(Include reference to and comments regarding evidence that the PIP was met in the comments above.)

_____ _____

Signature **Date**

EVALUATEE'S COMMENTS:

_____ _____

Signature **Date**

KERN HIGH TEACHERS ASSOCIATION
3409 CALLOWAY DR.
SUITE #202
BAKERSFIELD,
CALIFORNIA 93312

MITCH OLSON, PRESIDENT

VICKIE SHOENHAIR, VICE PRESIDENT
MINDY MONTANIO, SECRETARY
LISA LAYSHOT, TREASURER

Dear KHSTA Non-Member:

I'd like you to know that I respect your decision to not join our Association, but I also feel compelled to share with you an opportunity that you may not be aware exists. Some of the most heart wrenching situations that I've dealt with since becoming the Association President occur when members are critically ill, and they use up all of their sick time. The double whammy of dealing with a health problem and a financial problem at the same time can be an emotional roller coaster that can bring the afflicted to the brink.

When you exhaust your sick leave, you go on what is known as "differential pay" for up to 100 days where the district deducts from your check the cost of a substitute teacher. Most people that find themselves in this situation require a long term sub that gets paid the same as a new teacher. If you are extremely ill, you may exceed the 100 day max losing your job and all income.

If you join CTA, you are eligible for income protection through the insurance provider The Standard.

The product they have offered is far superior to anything else I've come across. I've included information on the rates and a description of the benefits provided in this packet. Feel free to investigate and compare.

For the next month, all members of the Association will be able to get this insurance without having to state a pre-existing condition. Normally, if you do not sign up when you are first hired with the district, the insurance company can require that you fill out a medical questionnaire and will deny your coverage if you're sick or have a history of disease. We have gotten the company to agree to waive this requirement and you will be given a guarantee issue as long as we can get 80 people across the district to participate.

On the back of this letter is a letter written by one of our colleagues talking about how this income protection saved he and his family. It is both sad and inspiring. I encourage you to read it. It is a powerful testimonial. Additionally, we have provided you with a CTA membership form if you decide to reconsider your decision so that you can avail yourself to this great product.

If you would like to know more details, please talk to the site representative on your campus.

Regards,

Mitch Olson, President
Kern High School Teachers Association

COLLECTIVE BARGAINING AGREEMENT
BETWEEN
SAVANNA SCHOOL DISTRICT
AND
SAVANNA DISTRICT TEACHERS ASSOCIATION

JULY 1, 2009
through
JUNE 30, 2012

INCLUDING

MEMORANDUM OF UNDERSTANDING

JULY 1, 2012
through
JUNE 30, 2013

ARTICLE I - AGREEMENT

1.1 This Agreement is entered into pursuant to Chapter 10.7, Sections 3540-3549 of the Government Code of the State of California. The articles and provisions contained herein constitute an Agreement by and between the governing board of the Savanna School District ("Board") and the Savanna District Teachers Association ("Association/CTA/NEA").

1.2 This Agreement shall take effect *July 1, 2009* and remain in full force and effect up to and including *June 30, 2012*. The parties agree to reopen negotiations for the 2010-11 school year with one (1) article selected by each party and for the 2011-12 school year on the Memorandum of Understanding with furlough days, as attached, and a maximum of three (3) additional articles selected by each party. The parties agree to immediate mediation under the jurisdiction of the California State Conciliation Service.

1.3 It is understood and agreed that the specific provisions contained in this Agreement shall prevail over District policies, practices and procedures and over state laws to the extent permitted by state law, and that in the absence of specific provisions in this Agreement such practices and procedures are discretionary with the District.

1.4 If any provisions of this Agreement are held to be contrary to law by a court of competent jurisdiction, such provisions will not be deemed valid and subsisting except to the extent per-

mitted by law, but all other provisions will continue in full force and effect. The parties shall meet within a reasonable period of time after such court decision to negotiate the provisions(s) affected.

1.5 Except as otherwise specified in this Agreement, during the term of the Agreement, the District shall not be obligated to meet and negotiate with respect to any subject or matter, whether or not referred to or covered in this Agreement, even though such subject or matter may not have been within the knowledge or contemplation of either or both the District or Association at the time they met and negotiated on and executed this Agreement, and even though such subjects or matters were proposed and later withdrawn.

1.6 Neither the District nor the Association shall unlawfully discriminate against any unit member with respect to the application of this Agreement on the basis of race, color, religion, sex, national origin, age, domicile, lawful political affiliation, physical handicap (as provided by State and Federal law), nor on the basis of membership or lack of membership in an employee organization, nor participation in lawful employee organization activities or refraining from participation in employee organization activities.

ARTICLE II - RECOGNITION

2.1 The District confirms its recognition of the Association as the exclusive representative for that unit of certificated employees voluntarily

recognized by the District at its April 13, 1976 regular meeting comprised of the following certificated positions:

Regular Classroom Teachers
Special Education Teachers
Reading Specialist Teachers
Speech/Language Specialists
District Nurse
Temporary Teachers under contract and working for 50% or more of the number of days school is in session

and excluding all other positions not designated, including but not limited to:

District Superintendent
Assistant Superintendent
Principals
Assistant Principals
Psychologists
Curriculum Resource Coordinator
Coordinator of GATE Program
School Counselors
Day-to-Day Substitute Teachers
Temporary/short term teachers under contract and working for less than 50% of the number of days school is in session.

2.2 The District agrees to notify the Association concerning the unit placement of any newly created position classification.

ARTICLE III - DISTRICT RIGHTS

3.1 Except as provided in this Agreement, it is understood and agreed that the District retains all of its powers and authority to direct, man-

age and control to the full extent of the law. Included in, but not limited to, those duties and powers are the exclusive right to: determine its organization; direct the work of its employees; determine the kinds and levels of service to be provided and the method and means of providing them; establish its educational policies, goals, and objectives; insure the rights and/or educational opportunities of students, managers, and Board of Trustee members; determine the staffing patterns; determine the number and kinds of personnel required; determine classification of positions; maintain the efficiency of the District operations; determine the curriculum; build, move or modify facilities; establish budget procedures and determine budgetary allocations; determine the methods of raising revenue; contract out work; and take action on any matter in the event of an emergency. In addition, the Board retains the right to hire, classify, assign, evaluate, promote, terminate and discipline employees, consistent with the law and the Agreement.

3.2 The District maintains the right to amend, modify and rescind policies and practices referred to in this Agreement in case of an emergency. An emergency is defined as an act of God or other occurrence having a serious impact on the District. The initial determination of the existence of an emergency is solely within the discretion of the Board.

3.3 The exercise of the foregoing powers, rights, authority, duties, and responsibilities by the

District, the adoption of policies, rules, regulations and practices in furtherance thereof, and the use of judgment and discretion in connection therewith shall be limited only by the specific and express terms of this Agreement, and then only to the extent such specific and express terms are in conformance with the law.

ARTICLE IV - ASSOCIATION RIGHTS

4.1 *Access To and Use of Facilities* Association shall have the right to use buildings and facilities subject to the following:

4.1.1 *Use* - The Association shall have the right to use school buildings and facilities subject to the District's civic center permit procedures, provided such activity does not interfere with school programs and/or the duties and responsibilities of unit members.

4.1.2 *Access* - Authorized Association representatives shall have the right to transact Association business on school property at reasonable times during the work day, provided such activity does not interfere with school programs or the work of unit members, and provided further, the representative first notifies the site administrator or designee regarding the time, place and type of activity to be conducted.

4.2 *Use of School Mailboxes* - The Association may use the school mailboxes, District mail service, fax machines, electronic communications sys-

tem and designated bulletin board spaces subject to the following:

4.2.1 All postings for bulletin boards or items for school mail boxes must contain the approximate date of posting or distribution and the identification of the organization.

4.2.2 A copy of such postings or distributions must be delivered to the Superintendent or designee at the same time as posting or distribution.

4.3 *Availability of Information*

4.3.1 The District shall, upon request, furnish copies of materials to the Association which are not confidential or privileged and are reasonably related to the Association's function as exclusive representative, providing the Association reimburses the District for necessary costs involved.

4.3.2 At the beginning of each school year, the District shall provide the Association with one copy of updated Board policy manuals.

4.3.3 The District shall make available to the Association one School Board packet containing non-confidential and non-privileged materials one day in advance of a regularly scheduled Board meeting.

4.3.4 The District shall furnish to the Association a listing by site of each member of the unit no later than two (2) weeks fol-

lowing the first teacher day each school year. This list may contain the names of unit members only.

4.4 Upon request of the unit member, the unit member shall be entitled to Association representation to the extent provided by law at the levels of the grievance procedure as set forth in Section 13.1.6 and 13.2 herein, at the formal evaluation steps provided in Section 12.5 herein, at meetings for the purpose of imposing discipline, and/or implementing involuntary transfers or involuntary reassignments.

4.5 *Unit Member Lists* School assignments, names, addresses, and telephone numbers of all District unit members shall be provided without cost to the Association, subject to rights of privacy.

4.6 *Release Time*

4.6.1 *Negotiations* A reasonable amount of time without loss of compensation will be provided for no more than five (5) representatives of the Association for meetings and negotiating. The amount of time will be mutually determined to comply with the guidelines of providing adequate time for agreement to be reached or for the resolution of impasse.

4.6.2 *Association Business* - Upon twenty four (24) hours advance notice and approval of the Superintendent, the Association President or designee shall be entitled to a maximum of thirty (30) school days of released time for the purpose of conduct-

ing Association business. The Association shall reimburse the District for the cost of any substitute teacher required under this section.

ARTICLE V - ORGANIZATIONAL SECURITY

5.1 Any unit member who is a member of the Association or who has applied for membership, may sign and deliver to the District an assignment authorizing deduction of unified membership dues, initiation fees, and general assessments, payable to the Association. Pursuant to such authorization, the District shall deduct one tenth of such dues from the regular salary check of the unit member for each month for ten (10) months. Such assessments, fees and dues shall be prorated for employees who are hired after the beginning of the school year.

5.2 Except as provided in paragraph 5.7 below, any unit member who is not a member of the Association or who does not make application for membership within thirty (30) school days from the date of commencement of assigned duties, shall become a member of the Association or pay to the Association a fee in an amount equal to unified membership dues, initiation fees and general assessments, payable to the Association in one lump sum payment or in the same manner as set forth in paragraph 5.1 above. In the event that the unit member shall not pay such fee directly to the Association or authorize payment through payroll deduction as provided in paragraph 5.1, or if the

unit member does not pay the fee equivalent of the Association dues, fees and general assessments to a charitable or other public service organization as provided for in paragraph 5.3, the District shall immediately begin automatic payroll deduction as provided in Education Code Section 45061 and in the same manner as set forth in paragraph 5.1 above. There shall be no charge to the Association for such mandatory payroll deduction.

5.3 Any unit member who is a member of a religious body whose formal tenets or teachings include objections to joining or financially supporting employee organizations shall not be required to join or financially support the Association, except that such unit member shall pay, in lieu of membership dues, initial fees, and general assessments, sums equal to such fees, dues or assessments, to one of the following non-religious, non-labor organizations, charitable funds exempt from taxation under Section 501(C) (3) of Title 26 of the Internal Revenue Code:

(a) Foundation to Assist California Teachers

(b) Any other charitable, non-profit organization mutually agreed to by the unit member and the Association. Such payment shall be made pursuant to Section 5.2 each school year.

5.3.1 Proof of payment and a written statement of objection along with verifiable evidence of membership in a religious

body, pursuant to paragraph 5.3 above, shall be made on an annual basis to the District. Payment shall be in the form of receipts and/or cancelled checks indicating the amount paid, date of payment, and to whom payment in lieu of the service fee has been made. Such proof shall be presented on or before October 1 of each school year. The Association shall have the right of inspection in order to review said proof of payment.

5.3.2 Questions concerning the application of paragraph 5.3 above may be submitted to binding arbitration conducted pursuant to the rules of the American Arbitration Association and shall involve the impacted unit member and the Association, but not the District. The fees and costs of the arbitration shall be paid by the Association. All other costs shall be borne by the party incurring them.

5.3.3 The District shall deduct payments as set forth in paragraph 5.2 above, pending the outcome of the arbitration, or if appealed, the decision of a court of competent jurisdiction.

5.4 The Association shall furnish any information needed by the District to fulfill the provisions of this Section including identifying unit members who pay directly to the Association pursuant to Section 5.2 by October 1 of each school year. The District agrees to notify new unit members concerning Sections 5.2 and 5.3.

5.5 The Association, CTA and/or NEA, agrees to indemnify and hold harmless the District against any and all liabilities, claims or actions which may be brought against said District or District Board of Trustees individually or collectively, its officers, employees, and agents, including reimbursement for all costs, expenses, fees, and judgments and providing an effective defense on behalf of the District at the direction and expense of the Association against any and all lawsuits or other legal proceedings, arising out of and in connection with this article.

5.6 Upon request, and subject to Association established procedures, unit members shall have the right to receive a refund of that portion of the agency fee which represents political or ideological spending on the part of the Association, CTA/NEA, not related to collective bargaining or employment matters.

5.7 Unit members employed during the 1986/87 school year who were not members of the Association shall be exempt from this Article.

ARTICLE VI - HOURS

6.1 *Work Year* Unit members shall be required to render a total number of days of service during the work year not to exceed 186 days for veteran returning teachers and 188 days for teachers new to the District in accordance with the adopted school year calendar.

6.1.1 The District shall implement 3 days of staff development buy-back per S.B. 1163 and the salary schedule shall be

increased by 1.5%. In the event that funding for staff development buy-back days are withdrawn by the State, the 1.5% shall be withdrawn from the salary schedule.

6.2 *Hours of Work*

6.2.1 Unit members shall be present in their assigned building for class preparation, or other assigned duties at least thirty (30) minutes prior to the opening of the school day and they shall remain a reasonable period of time after the last class is completed at the school, or an equivalent workday in cases of modified or minimum days, pupil emergency release days or other days when students are not in session.

6.2.2 In addition to the minimum workday, unit members are responsible for other professional duties such as program development, reasonable professional growth activities, parent conferences, committee assignments, faculty and District meetings, special help to students, open houses, back-to-school night, student supervision, and other special programs. The assignments specified herein shall be reasonably allocated among unit members. The District shall attempt to minimize the length and number of faculty meetings. Teacher input will be considered at each site in dis-

cussing dates for Open House and Back to School Night.

6.2.3 Each unit member shall be guaranteed a break of not less than ten (10) minutes during the student morning session. The principal and staff will determine the process for this provision.

6.2.4 Each unit member shall have a forty-five (45) minute lunch period of which thirty (30) minutes shall be uninterrupted and duty free, except where there is an unscheduled fire drill or emergency. The remaining fifteen (15) minutes shall be subject to duty assignments by the immediate supervisor.

6.2.5 Special day classroom unit members shall receive two (2) full days of released time per school year to develop and write I.E.P.(s).

6.2.6 6.2.6 shall be suspended until such time as 20:1 classes are reinstated by the District for grades K-2. At such time, Section 6.2.6 shall be revised as follows: In the event 20:1 classes are reinstated by the District for grades K-2, one (1) day of release time per quarter shall be provided to teachers in grades 3-6 that do not have 20:1 classes.

6.3 *District Nurse*

6.3.1 The District Nurse shall meet annually with the supervisor to provide input on his/her work schedule based on the needs of the school.

6.3.2 The District Nurse shall be entitled to a minimum of ten (10) hours of clerical assistance per school site annually.

ARTICLE VII - WAGES

7.1 *2009-10 School Year*

The 2008-09 salary schedule shall remain in effect.

2010-2011 School Year

The attached Memorandum of Understanding for furlough days shall be implemented.

2011-2012 School Year

The attached Memorandum of Understanding for furlough days shall be implemented.

7.1.2 Implement the PARS Supplemental Retirement Program for the 2009-10 school year.

In the event that the District elects not to implement the PARS Program, the parties agree to commence expedited mediation no later than March 1, 2010 under the jurisdiction of the California State Conciliation Service.

7.2 *Units for Advancement* - Units for advancement to Class II, III, and IV may be taken without prior approval but must be upper division or graduate units in courses directly related to elementary teaching. Specific lower division courses may be acceptable, with prior approval, provided they are directly related to elementary education and would be acceptable toward a degree in an accredited institution*.

Proof of completion of said units (verifying transcripts or report cards) must be furnished to the District before classification may be changed.

Time of Payment A unit member who qualifies for a salary increase shall be paid the increased salary not later than three (3) regular pay periods or three (3) months, whichever is longer, after the employee files proper documentation where required for the salary increase. The District shall additionally pay the employee daily interest on the amount owed to the employee calculated from the date that the employee was entitled to the salary increase if the school district does not pay the employee his or her salary increase within three (3) regular pay periods or three (3) months, whichever period is longer, after the employee files proper documentation where required for the salary increase. All amounts due the employee resulting from the salary increase and not paid to the employee at the time that the employee actually receives the salary increase shall be paid to the employee within twenty (20) business days of the date that the employee actually received the salary increase. The District shall additionally pay the employee daily interest on the amount owed to the employee calculated from the date that the employee was entitled to the salary increase if the District does not pay the employee all amounts due to the employee resulting from the salary increase within twenty (20) business days follow-

ing the date that the employee actually received the salary.

*Accredited institution for the purpose of this section shall be defined as any institution accredited by an agency accepted by the Commission on Teacher Credentialing and listed in *Accredited Institutions of Postsecondary Education: Programs, Candidates.* Unit members are encouraged to verify the accreditation of their institution of choice in the District Office.

7.3 *Increments* A teacher must teach 75% of the actual teaching days in a school year to receive credit and be raised to the next step.

7.4 *Outside Experience* Experienced teachers entering the District shall receive credit for prior public school experience up to and including five (5) years, subject to verification of actual experience by the Superintendent. All beginning teachers shall be placed on Step I of Salary Schedule.

7.5 *Pay Periods* Certificated employees will have the option of receiving their annual salary in ten (10) or twelve (12) monthly paychecks. The employee has the option of electing to be paid on the twelve (12) month basis providing he/she makes this request in writing prior to June 1 of each school year or at the time of initial employment. After that date, the method of payment is irrevocable for the remainder of the subsequent school year. All payroll deductions, except Federal and State income taxes, are made in ten (10) monthly deductions. Ma-

jor medical premiums will be divided into ten (10) monthly payments.

7.6 *Daily Pay Rate* - The daily rate for salary reduction purposes shall be computed as the employee's total annual salary divided by the number of days of required service as defined in Article VI. The hourly rate for the regular program year shall be the daily rate divided by seven (7).

7.7 *Mileage Reimbursement* Payment for mileage will be made to any regular full-time member for the required use of their personal automobile who is: (1) assigned to more than one duty location per day; or (2) approved for attendance at a workshop, conference, or District related meeting outside of the District. A flat monthly amount will be paid to those employees on a predetermined assignment schedule, based on actual miles required, at the Internal Revenue Service business standard mileage rate. Mileage reimbursement for approved attendance at conferences, workshops, or meetings outside of the District will be at the Internal Revenue Service business standard mileage rate or at the air fare coach or economy rate to the approved destination, whichever is the lesser.

7.8 *Qualification for Column Advancement* - All units above degree in Class II, III, and IV must be completed after receipt of the B.A. degree. Personnel upon reaching Class III shall remain on Step 12 for three (3) years and Step 15 for five (5) years before advancing. Personnel upon reaching Class IV shall remain on Step

12 for three (3) years and Steps 15 and 20 for five (5) years before advancing.

7.9 *Assignment* Teachers may be assigned by the Superintendent to any grade and school within the District in accordance with their experience, qualifications, and in accordance with other provisions of this Agreement.

7.10 Unit members who participate in the County Outdoor Science Program shall receive a stipend of $450 for a 4-day program.

7.11 *Earned Doctorate Degree Stipend* An annual stipend of $750 shall be paid to a unit member with an earned Doctors degree (Ph.D. or Ed.D.) from an accredited university in an area directly related to the unit member's teaching responsibilities.

7.12 Unit members volunteering to obtain a CLAD and/or BCLAD certificate shall be reimbursed for the cost of the examination, if it is passed, and shall be reimbursed for the fees to the Commission of Teacher Credentialing for the initial CLAD and/or BCLAD (or Equivalent) certificate. The district will not reimburse for renewal of said certificates. (BCLAD- Bilingual/Crosscultural Language and Academic Development.)

ARTICLE VIII - HEALTH AND WELFARE BENEFITS

8.1 Beginning July 1, 2009, the District shall contribute up to an annual maximum contribution for eligible full-time unit members toward district medical, dental and vision insurance programs as follows:

Employee Only: $5,000

Two Party: $10,000

Full-Family: $14,000

Effective July 1, 2009, the District medical, dental, and vision plans shall be modified in accordance with the health benefit committee recommendations as presented to the District and the Association on April 1, 2009 as attached.

Any health benefit premium amount in excess of the above annual maximum District contribution shall be paid by the unit member through payroll deduction.

The District and Association recognize the impact of escalating health care premiums upon the total compensation package. A joint health benefits committee is established to analyze and reduce the escalation of these costs and is composed of three District-selected representatives, five Association-selected representatives to include one representative from each school site plus one 'at large' Association-selected representative to review alternative health benefit plans and specifications and make recommendations on modifications to the District and Association.

8.1.1 The District annual maximum health benefit contribution specified in Section 8.1 above shall be temporarily increased for the 2009-10 insurance year only as follows:

Two Party: $11,233

Full-Family: $15,644

8.2 *Early Retirement*

8.2.1 Full-time unit member who resign and retire from Savanna School District into STRS between age 55 and 67 on or before June 30 of the school year of retirement and have completed a minimum of 12 continuous years of satisfactory full-time certificated service to the district shall be eligible to receive health insurance (major medical) coverage for themselves only under the policy and terms in force at the time of retirement until the end of the ~~fiscal year~~ month they reach age 67 or become eligible for Medicare, whichever occurs sooner, provided, however, such coverage is permitted under said existing policy of the insurance company.

8.2.2 Unit members must make written application for participation in the program specified in paragraph 1 above, to the District Office on the appropriate District form, submit resignation to be approved by the Board of Trustees, and subsequently, apply for retirement through STRS.

8.2.3 Retired unit members who qualify under the plan specified in paragraph 1 above, may extend the health insurance as specified herein to their dependents provided they pay the full premium cost in the manner required by the Board, pro-

vided however, such coverage is permitted under the existing policy of the insurance company.

8.3 *Duration of Benefits* - Should a bargaining unit member's employment terminate during the school year, fringe benefits shall terminate effective the first day of the month following termination. Should the unit member complete the school year, and subsequently be terminated or be granted a personal leave of absence without pay, fringe benefits shall terminate effective on August 31 of that year. Those bargaining unit members resigning voluntarily any time during the school year will have benefits terminated effective the first day of the month following the resignation.

8.4 *Reimbursement for Personal Property* The District shall, within legal limitations, reimburse unit members for personal property which is lost or damaged within the scope of employment without the unit member's fault or negligence and which can be verified as hereinafter provided. Reimbursement shall not exceed the deductible amount of any and all applicable unit member insurance policies in force. If no insurance coverage is in force, the reimbursement shall be based on the depreciated value of the property. Reimbursement for claims of less than $15 will not be considered and reimbursement shall not exceed $500. Materials and personal property which the unit member wishes covered under this provision must have prior approval from the principal for use on/in school premises.

Written claims must be received by the Assistant Superintendent within twenty (20) calendar days from the date of loss. The District shall have the discretion to require sales receipts, verification of insurance or lack of insurance coverage and any other information reasonably necessary to evaluate the unit member's claim.

ARTICLE IX - REASSIGNMENT AND TRANSFER

9.1 *Reassignment*

9.1.1 A reassignment is defined as a change from one teaching assignment to another within a school.

9.1.2 Management shall have the right to make any assignments of unit members that are within the educational related needs of the District. Prior to making such reassignments the principal must seek volunteers. Seniority will be a factor in making reassignments. In no event, shall a permanent or probationary unit member be reassigned before a temporary unit member. The principal shall meet with the involved unit member before any reassignments are made for the ensuing school year, whenever possible, prior to the closing of school in June, to discuss the new assignment.

9.2 *Transfers*

9.2.1 *Transfer* - A transfer is defined as a change from one school to another within the same position classification or

from one position classification to another.

9.2.2 *Vacancy* - A vacancy is defined as any unit member position which is newly created or which is open by virtue of retirement, resignation or other termination of employment.

9.2.3 *Voluntary Transfers, Posting, Filling of Vacancies*

a. Any unit member may apply for a voluntary transfer to District vacancies by submitting a transfer request to the District personnel office when a vacancy is posted.

b. Notice of District vacancy shall be posted for a minimum of seven (7) days prior to filling of the vacancy. Posting shall be made at each school location on bulletin boards located in faculty lounges. During the summer months, copies of such notices shall be mailed to all unit members who have a voluntary transfer request on file in the District Office as provided in sub-paragraph a. above, and to the Association office. "Days" as used herein shall be those days in which the District central office is open for business.

c. Application for vacancies shall be submitted to the Superintendent, who shall appoint the applicant who best meets the following criteria,

provided the applicant's application is submitted within the closing date stated on the posting as set forth in sub-paragraph a. above:

1. Certification
2. Experience in the assignment for which the vacancy has been posted
3. Educational training to fit the position
4. Other qualifications of the unit member which may be relevant to the vacant position or to the position currently occupied by the applicant
5. Seniority in the District

d. Unit members not selected for a requested vacancy shall be notified in writing and, upon request, given written reasons for non-selection. An application for transfer may be withdrawn by a unit member at any time prior to appointment by the Superintendent.

e. The filing of an application for vacancy is without prejudice to the unit member and shall not jeopardize the present assignment.

9.2.4 Whenever during a school year a unit member is to be transferred or reassigned during any period of time other than the first day of the teacher's work

year, said unit member shall be given two (2) compensated school days without pupils in order to adequately relocate and prepare. A unit member may request reasonable District assistance in moving his/her teaching materials to the new location.

9.3 *Involuntary Transfers*

a. An involuntary transfer is a transfer which has been initiated by the District. The District may initiate a transfer of a unit member in cases involving:

1. Reduction in staff due to enrollment loss or school closure
2. Balancing staff according to affirmative action guidelines
3. Educatior and evaluative needs

Seniority will be a factor in making involuntary transfers. In no event, shall a permanent or probationary unit member be involuntarily transferred before a temporary unit member.

b. Unit members who are to be involuntarily transferred shall be notified at least one (1) week prior to the transfer for those transfers occurring during the school year. For transfers to take place at the beginning of the school year, unit members shall be notified of transfer, if administratively possible, prior to the close of the previous school year.

c. The unit member may request a conference and/or a written statement regarding the reasons for the involuntary transfer.

d. Prior to selecting a unit member to be involuntarily transferred due to enrollment loss, the District shall first ask for volunteers.

e. Prior to selecting a unit member to be involuntarily transferred due to school closure, unit members shall be provided with a list of known vacancies in the District and shall be provided with the opportunity to list their first two preferences for vacancies. The District shall attempt to place all unit members in one of their top two choices.

9.4 *Layoff and Return from Layoff* When possible, the District shall inform the Association thirty (30) days prior to the issuance of initial layoff notices to unit members. Thereafter, upon request, the District shall meet with the Association to discuss the contemplated layoff.

9.5 *Mutual Exchange of Positions* A unit member may initiate an exchange of assignment for one school year, providing there is agreement with the involved principals and the exchanged unit members. If at the conclusion of the school year, all parties agree, the exchange of assignment shall become permanent.

ARTICLE X - CLASS SIZE

10.1 *Class Size Regular Program* Subject to the financial conditions of the District and availa-

ble classroom space, the District average class size (to be computed as of the end of the second school month) for regular classrooms shall not exceed the following state limitations:

Kindergarten - Average of 31 (no class to exceed 33)

Grades 1-3 (including combination classes)- Average of 30 (no class to exceed 32)

Grades 4-6 (including combination classes) Average of 32 (no class to exceed 34)

In special situations due to over enrollment in a grade level, and for expedient and feasibility purposes, classes may exceed the above limitations upon the mutual consent of the teacher involved and the site administrator subject to approval by the Superintendent in not more than 10% of the classes in the District.

10.2 Class Size Procedures Regarding Special Education

10.2.1 Class size/case load in special education programs shall not exceed State/Federal maximum limitations. Special education personnel shall be notified of State/Federal limitations by October 1 of each year.

10.2.2 Any special education child (SDC) who is permanently placed in a regular classroom for 50% of the school day will be included in that room's maximum class for accounting purposes:

10.2.3 Prior to mainstreaming special education pupils in the regular classroom the District must:

a. Meet with the affected teacher(s) and specialists and reach a mutual agreement with the teacher(s) and principal on a mainstreaming plan prior to implementation.

b. Give consideration to current teacher/pupil distribution.

10.3 Teachers may exercise a mutually agreed upon plan to initiate class size adjustments for a specified portion of the day not to exceed 50% of the school day which may temporarily exceed maximum class size as specified in 10.1. If a teacher chooses not to participate in a class size adjustment program, there shall be no retaliation against the affected parties by the Administration.

ARTICLE XI - LEAVES OF ABSENCE

11.1 *Sick Leave - Personal Illness and Injury*

11.1.1 *Sick Leave Entitlement* Full-time unit members shall be entitled to ten (10) days leave with full pay for each school year for purposes of personal illness or injury and for disabilities contributed to by pregnancy and/or childbirth. A unit member covered by this Agreement working less than full-time shall be entitled to sick leave in the same ratio that their employment bears to full-time employment.

11.1.2 *Sick Leave Accumulation* If the unit member does not utilize the full amount of leave authorized, ten (10) days in any school year, the amount not utilized shall be accumulated from year to year. Each unit member shall be notified of the accumulated leave within the first school month of each school year.

11.1.3 *Procedure for Using and Verifying Sick Leave*

a. *Notification of Sick Leave Use* - The teacher who is not reporting for duty shall call the District Code-A-Phone not later than 6:15 a.m. on the day of the absence or preceding evening. Any calls made after 6:15 a.m. should be made directly to the District Office. A unit member who is absent for one-half day or less shall have deducted one-half day from the accumulated leave; and, if the absence exceeds more than one-half day, a full day shall be deducted. Unit members becoming aware of the need for absence due to surgery, maternity, or other predictable scheduled cause shall submit a statement from their attending physician as far in advance of the initial disability date as possible. The physician's statement shall include the beginning date of disability, the description of the

disability, and the anticipated date of the return to active service.

b. *Compensation and Differential Pay*

Any unused sick leave credit may be used by the unit member for sick leave purposes without loss of compensation. Upon exhaustion of all accumulated sick leave credit, a unit member who continues to be absent for purposes of this policy shall receive 50% differential pay, or salary minus the cost of a substitute, whichever results in a greater salary, for the remaining portion of the total absence period not to exceed five (5) continuous school months. In order to qualify for differential pay, unit members shall first utilize all accumulated sick leave credit.

c. *Return to Service*

(1) Immediately upon return to active service, the unit member shall complete the District absence form and submit it to the immediate supervisor.

(2) The District may require a unit member to provide additional verification, including a medical affidavit, if there is reason to believe that sick leave is being misused. Verification fees charged by the doctor, exceeding

fees paid by the unit member's health insurance, shall be paid by the District.

(3) Upon request of the District, a unit member who has experienced a disability absence requiring surgery, hospitalization, or extended medical treatment, shall be required to submit, prior to return to active duty, a medical statement indicating an ability to return to his/her position classification without restrictions.

(4) A unit member shall not be allowed to return to service and shall be charged with one (1) additional day of sick leave absence if the employee fails to notify the District of intent to return to duty one-half (1/2) hour prior to the dismissal of their class on the preceding work day, and by such failure of notification a substitute is secured.

11.2 *Personal Necessity Leave* - Credited sick leave may be used, at the unit member's election, for purpose of personal necessity. Personal necessity leave shall be limited to:

11.2.1 Death or serious illness of a member of the unit member's immediate family.

11.2.2 Accident involving person or property or the person or property of the employee's immediate family.

11.2.3 Bereavement

11.2.4 Paternity (Not to exceed ten (10) days) to be taken within 12 months of birth

11.2.5 Adoptive (Not to exceed ten (10) days) - to be taken within 12 months of adoption date

11.2.6 Religious observances

11.2.7 *Court appearance* - A leave of absence to appear as a witness in court, other than as a litigant, or to respond to a subpoena duly served for reasons not brought about through the misconduct of the unit member, provided such subpoena is filed with the District immediately upon its having been received by the unit member.

11.2.8 As determined by the Superintendent, other personal necessities which are serious in nature and cannot be expected to be disregarded, which necessitate immediate attention, and which cannot be effectively dealt with during off-duty hours. Use of sick leave days for personal necessity reasons will not be approved for purposes of personal convenience or for the extension of a holiday or vacation period, recreational activities, association activities, or for matters which can be taken care of outside the work hours.

11.2.9 Ten (10) days of the days provided for personal necessity leave herein may be used at the unit member's discretion without providing a specific reason, provided that the notification procedure set forth hereinafter are followed and provided, further, that this leave is not taken in connection with any work stoppage or other prohibited activity. This leave must be taken in full day increments. The District reserves the right to limit the number of unit members taking this leave on any given day.

11.2.9.1 Unit members shall submit a request for personal necessity leave on a District approved form to the immediate supervisor normally not less than three (3) working days prior to the beginning date of the leave. The prior approval required for personal necessity shall not apply to reasons 11.2.1, 11.2.2, 11.2.3, 11.2.4, 11.2.5 and 11.2.6 above. When prior approval is not required, the unit member shall make every reasonable effort to comply with District procedures designed to secure substitutes and shall notify the immediate supervisor of the

expected duration of the absence. Unit members taking personal necessity leave shall sign the District personal necessity form, verifying the type of leave taken.

11.2.10 *Family Care and Medical Leave* - Unit members shall be entitled to an unpaid leave of absence up to 12 weeks in length for the unit member's serious health condition or the serious health condition of a member of the unit member's family, the birth of a child of the unit member, or placement of a child with a unit member in connection with adoption or foster care of the child by the unit member. During the period of leave, the District shall continue to pay the employee's contribution for Health and Welfare Benefits. Such leave shall be consistent with the State and Federal laws.

11.3 *Bereavement Leave*

11.3.1. Unit member employees shall be granted necessary leave of absence, not to exceed three (3) days, or five (5) days if out-of-state travel is required, on account of the death of any member of the immediate family. No deduction shall be made from the salary of such employee nor shall such leave be deducted from leave granted by other sections of this contract.

a. Immediate family shall include the employees'/spouse's: mother, father, grandmother, grandfather, grandchild, spouse, son, son-in-law, daughter, daughter-in-law, niece, nephew, brother, brother-in-law, sister, sister-in-law, aunt, uncle, or any relative/person living in the immediate household.

11.3.2 A written verification for bereavement leave must be submitted to the Superintendent's office by the employee on the appropriate District form immediately upon return to work.

11.4 *Industrial Accident and Illness Leave* - Industrial accident and illness leave shall be granted for illness or injury incurred within the course and scope of the unit member's assigned duties.

11.4.1 *Procedure* A unit member who has sustained a job-related injury shall report the injury on a District approved accident report form within 48 hours to the immediate supervisor. The unit member shall report any illness on a District approved form to the immediate supervisor within 48 hours of knowledge that the illness is an alleged industrial illness. In order to qualify for industrial accident or illness leave coverage, a unit member claiming such leave shall be examined and treated, if necessary, by a physi-

cian approved by the District's industrial accident insurance carrier or by the unit member's personal physician where the unit member, prior to the industrial illness or accident, filed a declaration of intent with the District naming his/her personal physician for use in such circumstances. In either case, fees for such services shall be paid by the District.

11.4.2 *Requirements*

a. Allowable leave shall be for not more than 60 days during which the schools of the District are required to be in session or when the employee would otherwise have been performing work for the District in any one fiscal year for the same illness or accident.

b. Allowable leave shall not be accumulated from year to year.

c. Industrial accident or illness leave shall commence on the first day of absence.

d. Industrial accident or illness leave shall be reduced by one day for each day of authorized absence regardless of a temporary disability indemnity award.

e. When an industrial accident or illness leave overlaps into the next fiscal year, the unit member shall be entitled to only the

amount of unused leave due for the same illness or injury.

f. Any unit member receiving benefits as a result of this section shall, during period of injury or illness, remain within the State of California unless the Governing Board authorizes travel outside the state.

g. During any industrial paid leave of absence, the unit member may endorse to the District the temporary disability indemnity checks received on account of his/her industrial accident or illness. The District, in turn, shall issue the unit member's salary and shall deduct normal retirement, other authorized contributions, and the temporary disability indemnity, if any, actually paid to and retained by the unit member for periods covered by such salary warrants. Upon conclusion of this industrial paid leave, a unit member may utilize any available sick leave benefits providing that any sick leave utilization when combined with any temporary disability indemnity shall not exceed 100% of the unit member's normal compensation.

11.4.3 *Return to Service* - A unit member shall be permitted to return to service after an industrial accident or illness only upon presentation of a release from the authorized Worker's Compensation physician certifying the unit member's ability to return to his/her position classification without restrictions or detriment to the unit member's physical and emotional well-being.

11.5 *Judicial Leave* - The Board shall grant leaves of absence to unit members who have been requested to serve on jury duty in the manner provided by law. The unit member shall receive his/her full compensation while on jury duty. Juror's fees, exclusive of mileage, received by the unit member, shall be paid to the District at the conclusion of the leave.

11.6 *Sabbatical Leave*

11.6.1 The Governing Board may grant a permanent certificated employee a leave-of-absence not to exceed one (1) year for the purpose of professional study, independent study, research, or related travel that is determined to be directly beneficial to the employee's instructional curriculum upon return, or a combination of any of the above.

11.6.2 No leave-of-absence shall be granted to any employee who has not rendered service to the District for at least seven consecutive years preceding the grant-

ing of the leave, and not more than one such leave-of-absence shall be granted in each seven year period.

11.6.3 A unit member who is eligible for a sabbatical leave shall make application for such leave prior to March 15 of the preceding school year in which the leave is requested. The Governing Board does not give assurance that any specified number of sabbatical leaves will be granted, and granting of leave for this purpose will be at the option of the Board.

Not more than one percent of the total number of unit members shall be considered by the Board for sabbatical leave during any one school year. If more than one percent apply for a leave, a committee of two (2) teachers appointed by the Association and two (2) administrators appointed by the Superintendent shall serve and make recommendations.

Consideration in selection shall be given according to the value of the leave to the District and soundness of the leave proposal as determined by the District and the applicant's length of service in the District.

The applicants shall be notified of the ranking. Any cancellation prior to July 1 of each year will be filled by the next unit member in order on the list.

11.6.4 Certificated employees granted sabbatical leave shall be entitled to receive compensation equal to fifty (50%) percent of the salary that would have been received had the employee continued his/her regular service to the District.

11.6.5 Every employee, as a condition of being granted a sabbatical leave, shall agree in writing to render a period in the employ of the Governing Board of the District following his return from the leave-of-absence which is equal to twice the period of the leave. The Governing Board may require a suitable bond indemnifying the District against loss in the event the employee fails to render the agreed-upon period of service to the District. The bond shall be exonerated in the event of death or physical or mental disability of the employee prohibiting the employee from returning or rendering the agreed-upon service.

11.7 *Other Leaves Without Pay Personal* - The Governing Board may grant personal leaves-of-absence, with or without pay, to certificated employees. A unit member may request a personal leave-of-absence for reasons not enumerated elsewhere in this Agreement. The Superintendent may grant personal leaves, without pay, not to exceed five (5) teaching days. Upon recommendation of the Superintendent and approval by the Board of Trustees, leave with-

out compensation, increment, seniority, or tenure credit, may be granted for a period of up to one (1) school year for the following reasons:

Peace Corps or like service

Service in an elected public office

Long-term illness of the unit member

Advanced professional study or academic training Care for a member of the immediate family who is ill

Rest and recreation

Teaching in a foreign country

Childcare Formal study Maternity

To assume public office for the duration of one term

11.8 Unit members on unpaid leave of absence shall be permitted to participate in District fringe benefit programs provided that the unit member pays the total premium to the District in a manner prescribed by the District.

11.9 *Catastrophic Leave* - After a unit member has exhausted all accrued paid leave when the unit member suffers from a catastrophic illness or injury, the unit member may request the District to transfer eligible leave credits donated by other employees per Ed. Code Section 44043.5.

ARTICLE XII - PROCEDURE FOR EVALUATION

12.1 *Frequency* - The District shall formally evaluate all probationary unit members no less than

once each year and permanent unit members no less than once each two (2) year period. Formal evaluations for probationary employees will be completed prior to January 1, and prior to March 15. Permanent employee evaluations will be completed thirty (30) days prior to the last student attendance day of the school year.

12.2 *Evaluator* - The evaluator shall be the unit member's immediate supervisor and/or other management employee who is so designated by District management.

12.3 *Outside Complaints*

12.3.1 The District shall notify the unit member of any public complaint which may form the basis of a negative evaluation within a reasonable period of time following its receipt. Such complaint must be reduced to writing and identify the name of the complainant and the date of the complaint. The principal shall meet informally with the unit member to discuss the complaint.

12.3.2 The supervisor shall, within ten (10) school days attempt to schedule a meeting with the complainant and the unit member to resolve the complaint.

12.3.3 The principal shall investigate the complaint absent resolution. The complaint shall be dismissed if the principal determines that it is unsubstantiated.

12.4 *Discipline*

12.4.1 The District shall not discipline unit members until it has investigated and determined that the charge against the unit member is warranted.

12.4.2 Written reprimands for misconduct or performance deficiencies which are included on the district official reprimand form shall be preceded by an oral warning and/or a conference with a written memorandum of summary.

12.4.3 No unit member shall be reduced in compensation or suspended with or without payment without cause. In the event of suspension, no unit member may be suspended for more than 15 work days.

12.4.4 Paragraphs 12.4.2 and 12.4.3 above need not be adhered to in event of serious misconduct or in the event that the unit member has otherwise received notice of such conduct or performance deficiencies within the past twelve months.

12.4.5 This section is not intended to preempt other lawful forms of discipline available to the District.

12.5 *Evaluation Procedures*

12.5.1 The District shall, by October 15 of a given school year, hold one or more staff meetings to review evaluation policies, criteria and procedures and to review the evaluation calendar for the year.

12.5.2 Prior to November 15, an initial planning conference shall be held between the unit member and the evaluator. During this conference, the evaluator will discuss the unit member's goals and objectives for the year and the evaluator and the teacher shall have completed a cooperatively developed plan for the teacher's evaluation program. Objectives may be modified by mutual agreement during the course of the year.

12.5.3 A mid-year conference between the evaluator and the evaluatee concerning the evaluatee's formal evaluation shall include a progress check on annual objectives.

12.5.4 The evaluator shall make no less than two formal classroom observations preceding each written formal evaluation. A record of these observations shall be recorded, a copy given to the evaluatee and a conference held concerning its contents within five (5) workdays of the formal observation.

12.5.5 The final evaluation shall be in written form, a copy given to the unit member, and a conference held concerning its contents thirty (30) days before the end of the school year.

12.5.6 Within fifteen (15) work days following the evaluation conference, the unit member may attach to the evaluation

form any statement the unit member wishes to become a part of the written record. Such a statement shall become an inseparable part of the unit member's evaluation document.

12.5.7 The unit member's signature on the evaluation form only acknowledges receipt and does not imply agreement with the contents.

12.6 *Personnel Files*

12.6.1 Unit members shall be permitted to review and obtain a copy of materials in their personnel files which may serve as the basis for affecting their evaluation or status of their employment to the extent permitted by law.

12.6.2 Unit members shall have the right to inspect their personnel files as provided by Education Code Section 44031. Such inspection shall take place during non-instruction time.

12.6.3 Unit members shall be given five (5) work days to respond to any material of a derogatory nature prior to its placement in their personnel file.

12.6.4 A unit member may have an Association representative present when inspecting the unit member's file, or may authorize in writing an Association representative to review his/her file.

12.6.5 Access to a unit member's personnel file shall be related to a business need.

12.7 *Constraints* A unit member shall not be evaluated solely upon standardized test results.

12.8 *Forms* - Upon request, the District shall negotiate with the Association over contemplated changes in unit member evaluation forms to the extent required by law.

ARTICLE XIII - GRIEVANCE PROCEDURES

13.1 *General Provisions*

13.1.1 *Definitions*

a. *Grievance* - A grievance is a claim by one or more unit members or the Association that there has been a violation, misinterpretation or misapplication of a provision(s) of this Agreement which affects the grievant.

b. *Grievant* - A grievant is a unit member(s) or the Association who files a grievance.

c. *Day* A day is any day in which the central administrative offices of the school district are open for business.

13.1.2 *Grievance Adjustments* - Any unit member may present grievances relating to an Agreement dispute to his employer and have such grievances adjusted without the intervention of the Association as long as the adjustment is not inconsistent with the terms of this Agreement. The District shall not agree to the adjustment or resolution

of the grievance until the Association has received a copy of the grievance and the proposed resolution and has been given the opportunity to file a response.

13.1.3 *Time Limits* The grievant may appeal to the next step of the grievance procedure in the event the District fails to timely respond to a grievance. In the event the grievant fails to meet a time limit, such failure shall constitute a waiver of the grievance and shall be deemed an acceptance of the District's decision. Time limits as set forth herein may be extended by mutual agreement.

13.1.4 *Follow Orders - Then Grieve* Until final disposition of a grievance takes place, the grievant is required to conform to the original direction of his/her supervisor unless said direction is unlawful.

13.1.5 *Grievance Meetings* The grievant has the right to have a representative present at each step of the grievance procedure. The grievant, however, must be present at each step of the procedure. Every effort will be made to schedule meetings for the processing of grievances at times which will not interfere with the regular workday of the participants. If any grievance meeting must be scheduled during the school

day, unit members required by either party to participate as the grievant, a witness, or a representative in such meeting will be released from duty without loss of compensation, for a reasonable amount of time. The Association and District agrees that persons involved in a grievance or grievance meeting shall be free from discrimination or reprisal.

13.1.6 *Informal Conference* Before filing the grievance in writing, the grievant shall make an attempt to resolve the grievance through means of an informal grievance conference with the unit member's immediate supervisor.

13.1.7 When a grievance has been filed, the grievant may terminate the grievance at any time.

13.2 *Grievance Steps* - Grievances will be processed in accordance with the following steps:

Step 1: If the grievance is not settled during the informal discussion, the unit member may present the grievance, in writing, to the immediate administrator within twenty (20) days after the occurrence of the event giving rise to the grievance or within twenty (20) days of the date the grievant reasonably should have known of the event. The administrator shall conduct a meeting on the grievance and shall respond to the grievant in writing within ten (10)

days after the receipt of the grievance. The written information submitted by the grievant shall include:

1. A brief statement of the nature of the grievance including names, dates and places necessary for an understanding of the grievance.
2. The provisions of the Agreement alleged to have been violated, misinterpreted or misapplied.
3. The remedy sought.

Step 2: If the unit member is not satisfied with the disposition of the grievance or if no disposition has been made within ten (10) days of the meeting at Step 1, the grievance may be transmitted to the Superintendent (or designee). Within five (5) days from the receipt of the grievance, the Superintendent (or designee) shall meet with the unit member on the grievance, and shall indicate the disposition of the grievance in writing within ten (10) days of such meeting and shall furnish a copy thereof to the Association and to the grievant.

Step 3: If a grievance is not resolved at Step 2, the unit member may request in writing a hearing before an arbitrator. The decision of the arbitrator shall be binding. The written request shall be filed in the office of the Superintendent within ten (10) days after receipt of the

written decision at Step 2. The arbitration proceeding shall be conducted by an arbitrator to be selected by the two parties within seven (7) days after said notice is given. If the two parties fail to reach agreement on an arbitrator within seven (7) days, the American Arbitration Association will be requested to supply a list of five names of persons experienced in hearing grievances in public schools. Each party will alternately strike from the list until only one name remains. The order of striking will be determined by lot. It shall be the function of the arbitrator to make a recommendation to resolve the grievance. The arbitrator shall, as soon as possible, hear evidence and render a recommendation on the issue or issues submitted to him/her. The arbitrator shall be subject to the following limitations:

1. The arbitrator shall have no power to add to, subtract from, disregard, alter, or modify any of the terms of this Agreement.
2. The arbitrator shall have no power to change or establish salary structures.
3. The arbitrator shall have no power to recommend or resolve any of the following:

a. The termination of services of or failure to reemploy any teacher.

b. Notification of charges of unprofessional conduct or incompetency.

c. The termination of services or of failure to reemploy any teacher to a position in the Special Education program.

d. Any claim or complaint for which there is another remedial procedure or course established by law or by regulation having the force of law, including any matter subject to the procedures specified in the Education Code.

e. Any matter involving the substance of teacher evaluations.

4. The arbitrator shall have no power to change any practice, policy, or rule of the District or to substitute his/her judgment for that of the District as to the reasonableness of any such practice, policy, rule, or any action taken by the District.

5. If any question arises as to the arbitrability of the grievance, such question will be ruled upon by the arbitrator only after the arbitrator has had the opportunity to hear the merits of the alleged grievance. In the event that a case is appealed to an arbitrator on which he has no

power to rule, it shall be referred back to the parties without decision or recommendation on its merits.

6. The fees and expenses of the arbitrator shall be shared equally by the District and the Association. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other.

7. The fact that the grievance has been considered by the parties in the preceding steps of the grievance shall not constitute a waiver of jurisdiction limitations upon the arbitrator in this Agreement.

8. Either party may request a certified court reporter to record the entire arbitration hearing. The cost of the services and expenses of such court reporter shall be paid by the party requesting the reporter. If the arbitrator requests a court reporter, then the costs shall be shared by both parties. The court reporter shall deliver a copy of the proceeding to each party within fifteen (15) days.

9. Issues arising out of the exercise by the Board or management personnel in the administration of their responsibilities under Article III of

this Agreement, including the facts underlying its exercise of such discretion, shall not be subject to this procedure.

10. After a hearing and after both parties have had an opportunity to make written arguments, the arbitrator shall submit in writing to the parties a copy of his/her decision.

ARTICLE XIV - SAFETY

14.1 Any unit member has the responsibility to submit written recommendations to his/her immediate supervisor regarding the maintenance of safe working conditions. The supervisor shall attempt to take appropriate action on the recommendations so as to ensure safe conditions of the District facilities. The supervisor shall respond to the unit member in writing within ten school days regarding the action taken by the District.

14.2 There shall be an emergency plan whereby a unit member can call the office for immediate assistance in the event of threats to the unit member's personal safety. Such assistance shall be available at times the unit members are required to render service to the District.

14.3 Each teacher shall retain the right to suspend, for the day of the suspension and the day following, from the individual classroom, a child who inflicts assault and battery upon a teacher or who threatens force and violence toward school personnel.

14.4 Teachers shall immediately report cases of assault by a pupil suffered by them in connection with their employment to the appropriate law enforcement authorities in accordance with E.C. Section 44014. In the event of an assault or other emergency, it shall be the duty of the principal to immediately assist the teacher.

14.5 Whenever the District places a student whose records reveal significant behavioral problems, the receiving teacher will be notified.

14.6 No unit member shall be required to perform any medical procedures on students unless they hold a valid certificate of public health nursing or are a licensed nurse. Medical procedures may include, but are not limited to; screening, suctioning, administering of shots or medication, catheterization, cleaning of wounds or sores, gavage feeding or other procedures that require medically related training.

14.7 The District shall request each parent to sign a statement that they have reviewed the school rules, grounds for suspension, dress and civility policy.

ARTICLE XV - CONCERTED ACTIVITIES

It is agreed and understood that there will be no strike, work stoppage or slow down, picketing in connection therewith, or refusal or failure to fully and faithfully perform the job functions and responsibilities, by the Association or by its officers, agents, members or employees working in concert with the Association, nor shall the District engage in a lockout against unit members.

In the event of a strike, work stoppage, slow down, or picketing in connection therewith, of the District by the unit members who are represented by the Association or its officers, agents, members or employees working in concert therewith, the Association agrees in good faith to take all reasonable steps to cause those unit members to cease such action and make every effort towards inducing all unit members to comply with the provisions of this Agreement. It is understood that in the event this Article is violated, the District shall be entitled to withdraw or modify any rights, privileges, salary, benefits, or services provided for in this Agreement, or in the District Policy.

It is understood that this Agreement does not prohibit lawful informational picketing of District facilities during non-working time.

ARTICLE XVI - SHARED AND PART-TIME

16.1 *Definition*

A shared contract is defined as one in which one (1) position is shared by two (2) employees for a period of not less than one (1) semester. A part-time contract position is defined as one in which an employee agrees to less than a full-time position.

16.2 *Eligibility and Application*

Part-time and shared positions may be requested by current permanent employees applying to the Personnel Office by February 15 of the year prior to the school year for which part-time and/or shared contract assignment is requested. Exceptions to this date will be considered in the event of unusual circumstances

and requests shall be subject to District needs and final Board approval.

16.3 *Selection of Position and Applicants*

The District will publish a list of positions which are available for part-time employment. Employees requesting part-time or shared contract positions will be scheduled to meet with the administrator(s) from the work site where such a shared or part-time position exists, in order to develop suitable combinations. The determination of part-time or shared positions and the selection of incumbents shall be the sole right of the District. The Association shall be notified of all such requests.

16.4 *Shared Contracts*

16.4.1 Persons sharing a contract must accept the responsibility that compatible classroom management will exist.

16.4.2 Shared contracts will be issued reflecting all pertinent information concerning the assignments (i.e., dates indicating duration of the assignment, description of subject/grade level, location, salary, and benefits). The shared contract will incorporate the provisions of this Agreement and will include a statement: "If you wish to renew this shared position for the next school year, or return to full time employment, your written request must be filed in the Personnel Office on or before February 15 of the school year in which this contract applies."

16.5 *Return to Full-Time Position*

16.5.1 Full-time employees opting for reduction in time may, at their option, return to full-time employment the following year if a vacancy for which they are qualified exists. Such employees shall otherwise be offered the first vacant position for which they are qualified. The District and the employee may agree on a definite return date as part of the part-time and shared contract agreement.

16.5.2 Employees intending to return to full-time status in September must notify the District of their intent to do so by February 15 of the year that they wish to return to full-time status.

16.5.3 Employees returning to full-time status will be entitled to the same rights as any other employee on a paid leave status.

16.5.4 Employees participating in the program who have not had full-time employment status with the District may apply for full-time employment. The District is under no obligation to honor their request.

16.6 *Compensation*

A participant shall receive the proportionate amount of the regular annual salary paid in equal monthly installments, or as mutually agreed upon by the employee and the District. Each employee involved shall earn proportion-

ate credit for step advancement (e.g. if worked 40% of one year and 60% of second year, step advancement would take place after second year). Each employee involved in the shared contract shall be eligible for a proration of the District contribution toward the fringe benefit programs applied in the same manner as salary.

16.7 *Time Requirements*

16.7.1 The time requirements for a part-time position shall be proportionate to the regular workday.

16.7.2 Teachers in part-time positions will be required to attend one (1) "Back-to-School Night" and "Open-House." Faculty meetings shall be attended by the unit member on duty at the time of the meeting and that person should share the information with their job-sharing partner. Adjunct duties shall be shared proportionately.

16.8 *Expanded Schedules*

Unit members who agree to work an expanded schedule shall be compensated at the unit member's per diem rate of pay.

ARTICLE XVII - PEER ASSISTANCE AND REVIEW (PAR)

The Savanna District Teachers Association (the Association) and the Savanna School District (the District) are continuously striving to provide the highest possible quality of education. In order for students to succeed in learning, teachers must succeed in teach-

ing. Therefore, the parties agree to cooperate in the design and implementation of programs to improve the quality of instruction through expanded and improved professional development and peer assistance. Teachers referred to or who volunteer for the program are viewed as valuable professionals who deserve to have the best resources available provided to them in the interest of improving performance to a successful standard.

17.1 *The Joint Committee (JC)*

17.1.1 The Joint Committee shall consist of five (5) members, the majority of whom shall be certificated classroom teachers who are chosen to serve by the Association. The District shall choose the administrators of the Joint Committee.

17.1.2 The Joint Committee shall establish its own meeting schedule. To meet, two-thirds of the members of the JC must be present. Such meetings shall take place during the regular teacher workday. Teachers who are members of the JC shall be released from their regular duties to attend meetings, without loss of pay or benefits. In carrying out their responsibilities as members of the JC, members will find it necessary to work beyond their regular workday and shall be compensated at the rate of $100.00 per meeting.

17.1.3 The Joint Committee shall be responsible for the following:

17.1.3.1 Providing annual training for the Joint Committee Members.

17.1.3.2 Establishing its own rules of procedure, including the method for the selection of a chairperson.

17.1.3.3 Selecting the panel of Consulting Teachers.

17.1.3.4 Selecting Trainers and/or training providers.

17.1.3.5 Providing training for Consulting Teachers prior to the Consulting Teacher's participation in the program.

17.1.3.6 Notifying participation in the PAR Program by written notification to the Referred Participating Teacher, the Consulting Teacher and the site principal.

17.1.3.7 Making available the list of the panel of Consulting Teachers to the Participating Teacher.

17.1.3.8 Adopting Rules and Procedures for effectuating the provisions of this Article. Said Rules and Procedures will be consistent with the Provisions of the Agreement, and to the extent that there

is an inconsistency, the Agreement will prevail.

17.1.3.9 Distributing annually, a copy of the adopted Rules and Procedures to all bargaining unit members and administrators.

17.1.3.10 Establishing a procedure for application as a Consulting Teacher.

17.1.3.11 Determining the number of Consulting Teachers in any school year, based upon participation in the PAR Program, the budget available and other relevant considerations.

17.1.3.12 Reviewing the report prepared by the Consulting Teacher and making recommendations to the Governing Board regarding the Referred Participating Teacher's progress in the PAR Program.

17.1.3.13 Evaluating annually the impact of the PAR Program in order to improve the program.

17.1.3.14 The PAR Joint Committee shall establish and have control over the PAR Budget as allocated under AB1X. The

Budget will follow district procedures, calendar and audit requirements.

17.1.4 All proceedings and materials related to evaluations, reports and other personnel matters shall be strictly confidential.

Therefore, Joint Committee members and Consulting Teachers may disclose such information only as necessary to administer this Article.

17.1.5 The District agrees to defend and hold harmless individual joint committee members and consulting teachers from any lawsuit or claim arising out of the performance of their duties under the PAR Program.

17.2 *Participating Teachers (PT)*

17.2.1 A Referred Participating Teacher is an experienced teacher with permanent status who receives an unsatisfactory on his/her final evaluation in 2 or more areas to include subject matter knowledge, teaching methods and instructional skills, or classroom management. Prior to referring a teacher to PAR, the site principal shall have provided assistance through a remediation plan.

17.2.2 A Volunteer Participating Teacher is an experienced teacher with permanent status who volunteers to participate in the PAR Program. The pur-

pose of the PAR Program for the Volunteer Participating Teacher is for peer assistance only and the Consulting Teacher shall not participate in a performance review of the Volunteer Participating Teacher. The Volunteer PT may terminate his or her participation in the PAR Program at any time.

17.2.3 A Referred Participating Teacher may select his or her Consulting Teacher from a panel of teachers. A different Consulting Teacher may be selected to work with the Participating Teacher at any time during the process when requested to do so by the Participating Teacher or the Consulting Teacher.

17.2.4 All communication between the Consulting Teacher and a Volunteer Participating Teacher shall be confidential, and without the written consent of the Volunteer, shall not be shared with others, including the site principal, the evaluator or the Joint Committee.

17.2.5 The Participating Teacher has the right to be represented throughout these procedures by the Association representative of his or her choice.

17.3 *Consulting Teachers (CT)*

17.3.1 A Consulting Teacher is a teacher who provides assistance to a Participating Teacher pursuant to the PAR Program. The qualifications for the Consulting Teacher shall be set forth in

the Rules and Procedures, provided that the following shall constitute minimum qualifications:

17.3.1.1 Credentialed K through 6 classroom teacher with permanent status.

17.3.1.2 At least five (5) of the last seven (7) years of recent teaching experience in classroom instruction.

17.3.1.3 Shall demonstrate exemplary teaching ability, as indicated by among other things, effective communication skills, subject matter knowledge, and mastery of a range of teaching strategies necessary to meet the needs of pupils in different contexts.

17.3.2 In filling a position of Consulting Teacher, each applicant is required to submit three references from individuals with specific knowledge of his or her expertise as follows:

17.3.2.1 A reference from a building principal or immediate supervisor.

17.3.2.2 A reference from an Association member.

17.3.2.3 A reference from another classroom teacher.

17.3.3 All applications and references shall be treated with confidentiality.

Consulting Teachers shall be selected by a majority vote of the Joint Committee after candidates have had classroom observations by the Joint Committee.

17.3.4 A Consulting Teacher shall be provided release time as needed. The term of the Consulting Teacher shall be two (2) years with an option to apply for a second two (2) year term. A teacher may not serve in the position for more than two (2) consecutive terms. A teacher may not be appointed to an administrative position in the District while serving as a Consulting Teacher or for two (2) full years after serving as a Consulting Teacher.

17.3.5 Functions performed pursuant to this Article by bargaining unit employees shall not constitute either management or supervisory functions. The Consulting Teacher shall be entitled to all rights of bargaining unit members. In addition to the regular salary, a Consulting Teacher shall receive $4500 annually for 150 clock hours of service beyond the regular workday and/or work year.

17.3.6 Consulting Teachers shall have the responsibility for no more than two (2) Referred Participating Teachers. Con-

sulting teachers shall assist Participating Teachers by demonstrating, observing, coaching, conferencing, referring or by other activities, which, in their professional judgment, will assist the Participating Teacher.

17.3.7 The Consulting Teacher shall meet with the Referred Participating Teacher to discuss the PAR Program, to establish mutually agreed upon performance goals, develop the assistance plan and develop a process for determining successful completion of the PAR Program. The Consulting Teacher shall conduct multiple observations of the Participating Teacher during classroom instruction, and shall have both pre-observation and post-observation conferences.

17.3.8 The Consulting Teacher shall monitor the progress of the Referred Participating Teacher and shall submit to and discuss with the Referred Participating Teacher periodic written reports.

17.3.9 The Consulting Teacher shall continue to provide assistance to the Referred Participating Teacher until he or she concludes that the teaching performance of the Participating Teacher is satisfactory, or that further assistance will not be productive. A copy of the Consulting Teacher's report shall be submitted to and discussed with the

Referred Participating Teacher to receive his or her signature before it is submitted to the Joint Committee. The Participating Teacher's signing of the report does not necessarily mean agreement, but rather that he or she has received a copy of the report. The Consulting Teacher shall submit a final report to the Joint Committee. The Referred Participating Teacher shall have the right to submit a written response, within twenty (20) days, and have it attached to the final report. The Referred Participating Teacher shall also have the right to request a meeting with the Joint Committee, and to be represented at this meeting by the Association Representative of his or her choice.

17.3.10 The results of the Referred Participating Teacher's participation in the PAR Program shall be made available for placement in his or her personnel file, and may be used in the evaluation of the Referred Participating Teacher.

FOR THE DISTRICT	FOR THE ASSOCIATION
s/Audrey Lambert	s/Ann C. DePierro
Dr. Audrey Lambert Assistant Superintendent	Ann DePierro STDA President

TENTATIVE AGREEMENT
MEMORANDUM OF UNDERSTANDING
BETWEEN THE SAVANNA SCHOOL DISTRICT (DISTRICT)
AND THE SAVANNA DISTRICT TEACHERS ASSOCIATION (ASSOCIATION)
REVISED APRIL 17, 2012

The District and the Association (SDTA) have completed negotiations for the 2012-13 school year and agree to maintain the provisions of the Memorandum of Understanding (MOU).

1. The work year for 2012-13 shall be reduced by six (6) furlough days to a total of 180 workdays with a 3% reduction in salary for the 2012-13 school year. These furlough days shall be scheduled at the end of the instructional year. Five of these days shall be instructional and the remaining day shall be non-instructional.

2. SDTA and the Savanna School District agree that the 6 day work year reduction is based on a projected 2012-2013 funded Base Revenue Limit (BRL) of $4,981 per ADA. The 2012-2013 funded BRL per ADA above, refers to the District's actual, unrestricted funded BRL per unit of ADA, after all deficit factors have been applied, including but not limited to deficit reduction, equalization and any other unrestricted changes in the State school funding per unit of ADA.

   The parties to this MOU recognize that the contingency language anticipates that the State school finance system remains as prescribed in current law. If there is a significant change in State school finance law, for example, the implementa-

tion of a weighted student formula for distribution of funding, the parties agree to reopen this MOU for the purposes of modifying these provisions to comport with the intent of the parties.

The parties agree to the following schedule for 2012-2013 for any increases or decreases to the District's funded BRL per ADA, as defined above, based upon twenty-five dollars ($25.00) per unit of ADA: (Based upon the 2008-09 salary schedule; the last year without furlough days)

$4,955	$5,006	= No Change in Days (total of 6 furlough days)	Reduction of 3% on salary schedule
$5,007	$5,032	= Restore 1 Day (total of 5 furlough days)	Reduction of 2.5% on salary schedule
$5,033	$5,058	= Restore 2 Days (total of 4 furlough days)	Reduction of 2% on salary schedule
$5,059	$5,084	= Restore 3 Days (total of 3 furlough days)	Reduction of 1.5% on salary schedule
$5,085	$5,110	= Restore 4 Days (total of 2 furlough days)	Reduction of 1% on salary schedule
$5,111	$5,136	= Restore 5 Days (total of 1 furlough days)	Reduction of 0.5% on salary schedule
$5,137	$5,162	= Restore 6 Days (total of 0 furlough days)	No change to the 2008-09 salary schedule

$4,929	$4,954	=Add 1 Day (total of 7 furlough days)	Reduction of 3.5% on salary schedule
$4,903	$4,928	=Add 2 Days (total of 8 furlough days)	Reduction of 4% on salary schedule
$4,877	$4,902	=Add 3 Days (total of 9 furlough days)	Reduction of 4.5% on salary schedule
$4,851	$4,876	=Add 4 Days (total of 10 furlough days)	Reduction of 5% on salary schedule

In the event that the funded BRL per ADA exceeds $5,162 or falls below $4,851, the parties agree to immediately reopen negotiations on salary for the 2012-2013 school year.

3. The District shall permit unit members to be released prior to the end of their professional day on modified Wednesdays and/or minimum days not to exceed the total number of furlough days implemented during the 2012-13 school year. These days will be established in advance for the 2012-13 school year at each site, upon mutual agreement between the principals and site leadership team members. In the event furlough days are increased, the principal and site leadership team members will identify early release days equal to the added furlough days. In the event furlough days are reduced, the principal and site leadership team members will identify which early release days will be eliminated. On these identified early release days, unit members may leave cam-

pus at the conclusion of the instructional day. The Association and the District will jointly monitor length and frequency of required staff meetings during the 2012-13 school year.

4. A joint evaluation committee will be formed to review and revise the current evaluation procedures to align with the California Standards for the Teaching Profession and the Education Code. The Association shall select up to four members and the District shall select up to four members. The committee will make recommendations which shall be submitted to the District and the Association for negotiations during the 2012-13 school year.
5. The parties agree to meet to begin negotiations for the 2013-14 school year no later than December 15, 2012.

This Memorandum of Understanding expires June 30, 2013 after which the provisions of this MOU will terminate and the terms and conditions herein will revert to the 2009-2012 Certificated Collective Bargaining Agreement and the salary schedule will revert back to the 2008-09 salary schedule with 186 duty days.

FOR THE DISTRICT	FOR THE ASSOCIATION
s/Audrey Lambert	s/Mary Johnson Cajiao
Dr. Audrey Lambert Assistant Superintendent	Savanna District Teachers' Association
5-2-12	5-2-12
Date	Date

SAVANNA SCHOOL DISTRICT
CERTIFICATED TEACHERS SALARY SCHEDULE
(Effective July 1, 2008)

Appropriate Credential is required for placement on this Salary schedule.

	Class I	Class II	Class III	Class IV
Step	B.A.	B.A. + 30	B.A. + 45 or M.A.	B.A. + 60 Inc. M.A.
1	46,604	49,653	52,701	55,750
2	48,694	52,092	55,489	58,886
3	50,785	54,531	58,276	62,022
4	52,876	56,970	61,064	65,158
5	54,966	59,409	63,851	68,294
6	57,057	61,848	66,639	71,430
7	59,148	64,287	69,427	74,566
8	61,238	66,726	72,214	77,702
9	63,329	69,165	75,002	80,838
10	65,419	71,604	77,789	83,974
11		74,043	80,577	87,110
12			83,364	90,246
Longevity				
15 Yrs		77,752	87,517	94,819
20 Yrs.			90,724	98,375
25 Yrs.			94,868	102,954

*Salary schedule reflects 2008/09 negotiated settlement of 2.00% effective 07/01/08.

SUBSTITUTES:		Regular $105.00 per day Long-Term - $120.00 per day (on the 11th day and retro back)
Home Instruction Rate:		35.79 hourly

Approved 12/11/2007

SAVANNA SCHOOL DISTRICT
CERTIFICATED TEACHERS SALARY SCHEDULE
(Effective July 1, 2012 with 180 duty days)

Appropriate Credential is required for placement on this Salary schedule.

	Class I	Class II	Class III	Class IV
Step	B.A.	B.A. + 30	B.A. + 45 or M.A.	B.A. + 60 Inc. M.A.
1	45,206	48,163	51,120	54,078
2	47,234	50,529	53,824	57,120
3	49,261	52,895	56,528	60,162
4	51,289	55,261	59,232	63,203
5	53,317	57,627	61,936	66,245
6	55,345	59,993	64,640	69,287
7	57,373	62,358	67,344	72,329
8	59,401	64,724	70,048	75,371
9	61,429	67,090	72,751	78,413
10	63,457	69,456	75,455	81,455
11		71,822	78,159	84,497
12			80,863	87,538
Longevity				
15 Yrs		75,419	84,892	91,975
20 Yrs.			88,002	95,424
25 Yrs.			92,022	99,865

*Salary schedule reflects negotiated settlement of 3% decrease effective 07/01/10 and reapproved for the 2012/13 school year.		
*Salary schedule reflects 180 duty days effective 07/01/10 – 06/30/13.		
*Salary schedule will revert back to 2008/09 schedule effective 07/01/2013 with 186 duty days.		
SUBSTITUTES:		Regular - $105.00 per day Long-Term - $120.00 per day (on the 11th day and retro back)
Home Instruction Rate:		$34.72 hourly

Approved 5/8/2012

Membership Services
Savanna District Teachers
Association
Debbie Knapp
~~PO Box 446~~
Los Alamitos, CA 90720
562.703.9523
New Address (10/1/2012)
Debbie Knapp
PO Box 1873
Anaheim, CA 92815-1873

July 19, 2012

Albert Acosta
Certificated Payroll
Savanna School District
1330 S. Knott Avenue
Anaheim, CA 92804

RE: 2012-2013 CTA/NEA/Local dues

Dear Albert:

The dues structure for the Savanna District Teachers Association (SDTA) *PERS* and *STRS* warrants are as follows:

Category 1 - Full Time teachers

CTA:	64.70	647.00
NEA:	18.00	180.00
ASTA:	17.50	175.00
Monthly Deduction	**$100.20**	1002.00

Category 2 - Teachers teaching 34% to 60% of normal assignment

CTA:	33.35	333.50
NEA:	10.00	100.00
ASTA:	13.25	132.50
Monthly Deduction	**$56.60**	

Category 3 - Teachers teaching 33% or less of normal assignment

CTA:	17.68
NEA:	6.03
ASTA:	11.13
Monthly Total	**$34.84**

Should you have any questions, please don't hesitate to call.

Sincerely,

Debbie Knapp

Debbie Knapp
Membership

Mail Membership enrollments to new Po Box address

C: Cindy Clemens
Mary Johnson Cajiao, SDTA President
Greg Payne, SDTA President

Membership Enrollment Form

Membership Year 2 0 _ _ – 2 0 _ _

PLEASE PRINT USING UPPER CASE ONLY - USE BLACK OR BLUE INK ONLY

_____

Local Association

Last four
digits SS# _____

If a member last year, please
provide your individual ID #
(From Membership Card) _____

First Name _____ MI __

Last Name _____

Address _____ Apt. # _____

City _____ State CA Zip _____

E-Mail _____ Home Phone (___) ___-____

_____ _____

School District | Bldg/Work Site | Work Phone (___) ___-____

Is this your primary place of employment?

O Yes

O No

If no, _____ Ext _____
District/College

Subject _____ Position/Job Title _____

Date of Hire __-__-____ Track (if applicable) __

(See Reverse Side For Subject and Position Codes)

A designated portion of CTA dues is normally allocated to the Association for Better Citizenship (CTA/ABC), a bipartisan political fund through which CTA provides financial support for educational issues and CTA-endorsed candidates for local and state offices.

O Please fill in if you choose not to allocate a portion of your dues to the CTA/ABC account and want all of your dues to remain in the General Fund.

Membership Category
Please fill in one, see back of form

O Category 1
O Category 2 A O B O
O Category 3 A O B O
O Category 4

The following information is optional and a failure to answer it will in no way affect your membership status, rights, or benefits in NEA, CTA, or any of their affiliates.

___ - ___ - 19___ Birthdate

Ethnicity

O Multi-Ethnic
O American Indian/Alaska Native
O Asian
O African American
O Hispanic
O Caucasian
O Native Hawai-

Gender

O Female
O Male

Marital Status

O Single
O Married

ian/Pacific Islander O Other

Registered Voter	Party Affiliation
O Yes O No	O Democrat O Republican O Independent O Other

ASSOCIATION	AMOUNT
NEA Dues	
CTA Dues	
LEA Dues	
CTA Issues PAC* Suggested Amount $20	
NEA-FUND** Suggested Amount $20	
CTA Disaster Relief Fund Suggested Amount $20	
Cesar Chavez Memorial Education Awards Program Martin Luther King Jr., Scholarship Fund Suggested Amount $20	
ANNUAL TOTAL	
MONTHLY DEDUCTION	
Pay Method O Check O Payroll Deduction	

For Local Use Only	Local ID							
Employer ID								
Building ID								
No. Deductions								
Prorate Percent								

I hereby designate and authorize the CTA/NEA/Chapter to act as my exclusive representative, pursuant to California Gov't. Sections 3540 et. Seq., for the purposes of meeting and negotiating on wages, hours, and other terms and conditions of employment.

You are hereby authorized and directed to deduct the above total sum or prorated sum where applicable in installments, including CTA Issues PAC*, NEA-FUND**, Disaster Relief Fund, Education Awards Program and Scholarship Fund contributions, from regular contract salary warrants due to me. The Chapter, State and/or NEA professional dues portions of said amount may be increased or decreased by any of said organizations without additional authorization from me. The total amount so deducted shall be transmitted to the California Teachers Association or its designated agent and upon remitting the deduction to the California Teachers Association, the school district has fulfilled its entire obligation and will be held harmless with regard thereto by the California Teachers Association. This authorization is to remain in force from year to year until revoked or revised by me in writing. Dues payments are not deductible as charitable contributions for federal income tax purposes. Dues payments (or a portion) may be deductible as a miscellaneous itemized deduction.

*The CTA Issues PAC supports or opposes issues only, not candidates. Contributions to the CTA Issues PAC are not deductible as charitable contributions for federal or state income tax purposes. State law requires us to collect and report the name, mailing address, occupation, and name of employer of in-

dividuals whose contributions are equal to or exceed $100 in a calendar year.

**The National Education Association Fund for Children and Public Education (NEA-Fund) collects voluntary contributions from Association members and uses those contributions for political purposes, including, but not limited to, making contributions to and expenditures on behalf of friends of education who are candidates for federal office. Contributions to the NEA-Fund are voluntary; making a contribution is neither a condition of employment nor membership in the Association, and members have the right to refuse to contribute without suffering any reprisal. Although the NEA-Fund requests an annual contribution of $20, this is only a suggestion. A member may contribute more or less than the suggested amount, or may contribute nothing at all, without it affecting his or her membership status, rights, or benefits in NEA or any of its affiliates.

Contributions or gifts to NEA Fund for Children and Public Education are not deductible as charitable contributions for federal income tax purposes.

Federal law requires us to use our best efforts to collect and report the name, mailing address, occupation and name of employer of individuals whose contributions exceed $200 in a calendar year.

✖ _____ _____

Association Representative Signature — Date

_____ __ - __ 2 0 __

Member Signature — Date

MEMBERSHIP DEPARTMENT COPY

INSTRUCTIONS: Enrollment forms are for enrolling NEW MEMBERS (Check or P/R Deduction) or changing members' payroll deductions. Member completes enrollment form. Issue member the fourth copy of the form. Checks should be made payable to the local association. Distribute completed forms according to designations at the bottom of each copy. Do not distribute district copy if member pays dues by check.

ACTIVE MEMBERSHIP CATEGORIES

Those eligible for membership in more than one school district shall be enrolled in their primary place of employment.

ACTIVE FULL TIME:

(Category 1)

For those faculty whose teaching assignment is *more than 60%* of a normal assignment, except for faculty employed as pre-school, head start, child care, adult education, and substitute teachers whose salaries are less than the minimum teacher salary for the district in which they are employed.

ACTIVE PART TIME:

(Category 2 A)

For those faculty whose teaching assignment *is greater than 1/3 but not more than 50%* of a normal assignment.

(Category 2 B)

For those faculty whose teaching assignment is greater than 50% but not more than 60% of a normal assignment, or faculty employed as pre-school, head start, child care, adult education, and substitute teachers whose salary in the district in which they

are employed is less than the minimum salary paid regular teachers in such district.

(Category 3 - A)

For those faculty or substitutes whose teaching assignment is *25% or less than* a normal assignment, including faculty on unpaid leave.

(Category 3 B)

For those faculty whose teaching assignment is *greater than 25% but not more than 1/3* of a normal assignment or those faculty employed in private higher educational institutions or the University of California for whom no representation by the Association in employer-employee relations exists or is immediately contemplated.

(Category 4)

For those adult education and community college employees employed only on a part-time or hourly basis.

CTA dues include $5.84 for CALIFORNIA EDUCATOR, NEA dues include $4.65 for NEA TODAY, $2.60 for NEA-RETIRED and/or $19.00 for the Higher Education Publication(s). Publications received by members are based on membership type.

POSITIONS (K-12)	
Administrator	ADMN*
Adult Educator	ADED
Classroom Teacher	CLTR
Coach	COCH
Counselor	CNSL
Health/Therapist Asst/Tech	HTAT
Librarian/Media Spclist	LIBR

Licensed Prac Nurse	LPNU
Literacy Coach	LITC
Psychologist	PSYC
Reading Specialist	READ
Registered Nurse	RGNU
ROTC	ROTC
Social Worker	SCWR
Special/Develop Ed	SDSP
Speech/Hearing Therapist	SHTH
Other	OTHR

SUBJECTS
(K-12)

Adult Basic Ed	ADED
Agric. & Natural Resources	AGNR
Algebra	ALGE
Art	ARTS
Basic Ed Curriculum	BEDC
Basic Skills & Remed Ed	BSRE
Bilingual Ed	BIED
Biology	BIOL
Business Ed	BSED
Business Math	BSMA
Civics/Govern/Pol Sci	CGPS
Coaching	COCH
Communications	COMM
Computer & Info Sci	CICS
Data Processing	DAPR
Driver's Ed	DRED
Early Child Develop	ECDE
Earth Sci/Geology	ESCG
Economics	ECON
Eng/Lang Arts	ELAR
Foreign Lang & Lit	FLLI

General Subjects	GSUB
Geography	GEOG
Gifted & Talented	GTAL
Health & Phys Ed	HEPE
History	HIST
Home Economics	HOME
Industrial Arts	INAR
Journalism	JOUR
Mathematics	MATH
Music	MUSI
Physical Sciences	PHSC
Reading	READ
ROTC	ROTC
Social Stds/Social Sci	SSSS
Sociology	SOCI
Special/Develop Ed	SDED
Sp/Dev Ed Early Childhood	SDEC
Speech & Drama	SPDR
Speech & Hearing Impaired	SHIM
Trade & Industrial Ed	TIED
Work Experience	WEXP
Other	OTHR

POSITIONS
(Higher Ed)

Adjunct Faculty	ADJF
Administrator	ADMIN
Assoc Professor	ACPR
Counselor	COUN
Instructor	INST
Lecturer	LECT
Professor	PROF
Other	OTHR

SUBJECTS (Higher Ed)	
Area, Ethnic & Cui Stds	AECS
Agriculture	AGRI
Architecture	ARCH
Biological Science	BISC
Business	BUSN
Communications	COMM
Computer & Info Sci	CISC
Criminal Justice	CRJU
Education	EDUC
Engineering	ENGR
English Lang & Lit	ENLL
Environmental Studies	ENVS
Fine & Applied Arts	FAAA
Foreign Lang & Lit	FLLI
Forestry	FORE
Geography	GEOG
Health Science	HESC
History	HIST
Home Economics	HOME
Humanities	HUMA
Industrial Arts	INAR
Law Enforcement	LAEN
Law & Legal Studies	LALS
Liberal Arts & Science	LIAS
Library Science	LBSC
Marketing	MARK
Mathematics	MATH
Medical Science	MEDS
Military Sci/Tech	MIST
Natural Science	NATS
Parks & Recreation	PREC
Philosophy	PHIL

Physical Science	PHSC
Political Science	POLS
Psychology	PSYC
Public Admin & Srvcs	PADS
Religion & Theology	RETH
ROTC	ROTC
Science Technology	SCTE
Social Science	SOSC
Visual & Performing Arts	VPAR
Other	OTHR

* Directly hires, evaluates, transfers, disciplines or dismisses.

Volume 14 Issue 2 October 2009

Collective Bargaining

For educators in California, their union contract should be as vital as their student gradebook or lesson planner. It's a critical document that's the culmination of the collective bargaining process. Understanding it and how it came about is critical to understanding how a local CTA chapter impacts its members' professional life in profound ways.

At least once every three years, sometimes more often, the union and the school district sit down to negotiate the terms for working in the district. CTA has more than 1,000 chapters across the state, and educators in each chapter bargain a contract defining the issues for all members of the bargaining unit: teachers, librarians, counselors, and all certificated staff.

On Sept. 22, 1975, then-Gov. Jerry Brown signed CTA-sponsored Senate Bill 160 by state Sen. Al Rodda, known as the Educational Employment Relations Act or the Rodda Act, to give California public school teachers collective bargaining rights. The legislation established an administrative body that became the Public Employment Relations Board (PERB).

Disputes over labor law are settled by filing an "unfair labor practice" charge with PERB. Disputes over sections of a labor contract are settled by filing grievances against the school district.

Once a union contract settlement is reached, it must be ratified by a majority vote of a chapter's members, and then by the school board. When the contract expires, the process begins again. If a state mediator

cannot help break any bargaining impasse that occurs, and a non-binding report from a neutral fact-finder fails to resolve the crisis, only then can teachers strike.

Not everything is negotiable. Critical job issues that are within the legal scope of bargaining include compensation, hours of work, safety matters, class size, evaluation and disciplinary procedures, health care, access to personnel files, preparation time, seniority, transfer rights, a grievance procedure with binding arbitration to settle major disputes, discrimination, job assignments, and early retirement.

Issues not within the scope of bargaining include a district's staffing needs, the district budget process, matters affecting employees outside the bargaining unit, the timing of layoffs, an advisory committee formed by the employer, and access to information unrelated to union representation.

Bargaining law levels the playing field. Teachers sit down as equals with administrators and both sides start the process with initial proposals. Even without today's harsh economic climate, where many California school districts hit with cuts are trying to reduce health care benefits and salaries and impose furloughs or worse, the bargaining process has shown that teachers are willing to push back to protect their profession and their compensation.

There have been more than 170 California public school strikes, sickouts and other work stoppages since 1975. The most recent major showdown was the 10-day strike by the Hayward Education Association in April 2007, which earned teachers an 11 percent raise over two years.

Kathleen Crummey, a Hayward teacher for more than 30 years, led that strike. She died of cancer July 24 of this year and was taking union-related calls in the final weeks of her life, said her husband, former CTA Board member Dayton Crummey. He joined hundreds of East Bay CTA leaders, former CTA President Barbara E. Kerr, family and friends for a public memorial Sept. 12 at Hayward City Hall.

"Kathleen Crummey, working 12-hour days, coordinated that 10-day strike like the extraordinary labor leader she was," CTA President David A. Sanchez said at the memorial. "She now belongs to a much larger family of teachers who dedicated so much over the decades to fighting for the rights and dignity of their colleagues. By continuing her work, we honor her and our profession."

Some districts have embraced what is known as "interest-based" bargaining — a model that's generally less stressful than in other districts and can be effective if all parties have a sincere desire to make it work. The East Whittier City School District and the East Whittier Education Association (EWEA) successfully used this method earlier this year to reach an agreement.

In interest-based bargaining, the parties brainstorm to find a "win-win" solution that doesn't start with specific bargaining proposals. The focus is on developing mutually beneficial agreements based on the of the parties — the needs, desires and concerns important to each side. The goal is to keep the conversation flowing and avoid "stopping points."

"We started it last year and are pretty happy with it," said Madeline Shapiro, immediate past president of

EWEA. "Instead of being adversarial, we all sit down together and talk about our interests and why they are important to us. Then we talk about different options for making this happen in our district — and our contract — and we can usually come to a compromise. It moves everybody's agenda along."

The result was that EWEA recently bargained a new contract that contained no concessions, which Shapiro believes is a victory in today's tough economic climate. Negotiators on both sides of the table agreed there would be no "reopeners" next year and felt good about the process. Fortunately, there were financial reserves set aside to help this district survive lean times.

Such cordial relations didn't happen overnight, said Shapiro. The EWEA worked for years to build a foundation that would allow interest-based bargaining. This included forming a political action committee, fundraising and getting involved in local campaigns. Chapter members were instrumental in electing school board members who were friends of education and willing to listen to their concerns.

Before the historic Rodda Act of 1975 gave teachers real bargaining rights, they suffered under the toothless Winston Act, passed by the California Legislature in 1965 to pacify restless educators across the state.

It allowed teachers to "meet and confer" with administrators on key issues, but little was accomplished as "meet and confer" degenerated into "meet and defer" as districts stonewalled. Districts were under no obligation to act on teachers' proposals, and school

boards had the final say anyway to do as they wished.

Most contracts build on prior agreements, re-adopting some language over and over for years, but a new CTA chapter representing nearly 450 teachers in 19 Green Dot charter schools in Los Angeles County had to start from scratch several years ago.

In early September, the Asociación de Maestros Unidos was bargaining its fourth contract, keeping its binding arbitration language and other gains intact, and being watched by charter school teachers across the nation, said chapter President Abby Garcia, a teacher at Animo Leadership Charter High School in Inglewood.

"Now our contract has been used as a model contract by charter schools across the country," said Garcia, in her sixth year with Green Dot. "We are helping to dispel the myth that teachers only stay at charters a few years and move on. This contract gives us rights we can depend on. It's our union work, and it's exciting."

JEFFREY B. DEMAIN (SBN 126715)
JONATHAN WEISSGLASS (SBN 185008)
P. CASEY PITTS (SBN 262463)
Altshuler Berzon LLP
177 Post Street, Suite 300
San Francisco, CA 94108
Telephone: (415) 421 7151 / Facsimile: (415) 362-8064
E-Mail: jdemain@altshulerberzon.com;
jweissglass@altshulerberzon.com;
cpitts@altshulerberzon.com

Attorneys for Proposed Defendants-Intervenors
CALIFORNIA TEACHERS ASSOCIATION and
CALIFORNIA FEDERATION OF TEACHERS

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – CENTRAL JUSTICE CENTER

BEATRIZ VERGARA, a minor, by Alicia Martinez, as her guardian ad litem, *et al.*, Plaintiffs v. STATE OF CALIFORNIA, *et al.*, Defendants.	Case No. BC 484642 **DECLARATION OF DEAN E. VOGEL IN SUPPORT OF MOTION TO INTERVENE** Unlimited Civil Case Date: May 2, 2013 Time: 8:30 a.m. The Honorable Rolf

)	M. Treu, Dept. 58
)	Action Filed: May
)	14, 2012
)	Trial Date: Janu-
)	ary 27, 2014
)	

I, Dean E. Vogel, declare as follows:

1. I am the President of the California Teachers Association ("CTA"). I have held this position since 2011. As President, I am the highest elected officer of CTA. My duties include presiding at all meetings of CTA's elected Board of Directors; presiding at all meetings of CTA's State Council of Education, which is CTA's policymaking body; serving as CTA's official representative in interactions with many outside entities and the public; directing the planning of CTA meetings and conferences; and working with CTA's Executive Director and staff to assist in implementation of CTA policies. Prior to serving as CTA's President, I served in a number of other elected capacities at the organization, including as CTA's Vice President and member of its Board of Directors. I make this declaration based on my own personal knowledge and reports of staff members I received from CTA staff members in my roles as CTA President.

* * *

CTA and Its Members Have a Direct and Immediate Interest in Defending the Challenged Statutes

11. CTA and the teachers that it represents have direct, immediate, and concrete interests that are threatened by this litigation. The Education Code provisions at issue in this case provide important

benefits to the teachers represented by CTA and the public schools in which they teach.

12. One provision Plaintiffs challenge, Education Code §44929.21(b), provide teachers (and other certified employees) that a school district chooses to reemploy for a third consecutive year after nearly two years of probation with protection from arbitrary dismissal. This provision is valuable to CTA members and schools because it provides a degree of job security that encourages well-educated professionals to enter and remain in the teaching profession. It also allows teachers to refine their teaching skills and enhance their subject matter knowledge over time, which enhances their overall educational effectiveness. These limited job protections reduce teacher turnover, which is important because turnover imposes recruitment and training costs on schools, require experienced teachers to devote time and attention to training and mentoring new teachers rather than other educational duties, and may result in the use of long-term substitute teachers or greater reliance on novice teachers with little or no prior experience.

13. Section 44929.21(b), in conjunction with the due process provisions of the dismissal and reduction-in-force ("RIF") statutes, also helps to preserve classrooms as places of academic inquiry; to ensure that experienced teachers are not dismissed for arbitrary, unfair, or unjustifiable reasons; and to ensure that budget-based layoffs are implemented in an objective manner without favoritism.

14. At the same time, because teachers are "probationary" during almost two full years of employment, the statutes give school districts an extended oppor-

tunity to evaluate new teachers' performance and reliability before determining whether they merit selection for a non-probationary position. During the probationary period, schools may elect not to reemploy a teacher in a subsequent year for any reason or no reason at all, and schools do not even have to explain why they are dismissing probationary teachers. The only obligation a school district has if it is not going to offer a probationary teacher a permanent position is to provide notice of "non-re lection" to the teacher by March 15 prior to the start of his or her third consecutive year teaching in that school district. The notice need not provide any reason or explanation for non-renewal. This notice allows affected teachers time to plan for their departure from the district and seek employment for the following school year and allows districts the opportunity to hire in advance of the coming school year.

15. Being classified as a "permanent" employee signifies that a teacher may rely on being employed from year to year by a particular school district absent cause for his or her discharge or a RIF, as opposed to having only probationary, temporary, or "at will" employment. A teacher with a permanent classification receives certain minimal substantive and procedural protections from discharge, including that discharges for non-budgetary reasons must be for cause and that RIF discharges must be based on the specific criteria set forth in the Education Code. Discharges for cause are permitted for any of the eleven different causes listed in the Education Code, including for "unsatisfactory performance," "unprofessional conduct," "dishonesty," "evident unfitness for service," and "refusal to obey the school laws . . . or rea-

sonable regulations" of the district. Educ. Code §44932(a).

16. Plaintiff's also challenge the notice and hearing requirements followed in dismissals of permanent status teachers under Education Code §§44934, 44938(b)(1), 44938(b)(2), and 44944. Where a teacher is being dismissed for unsatisfactory performance, these provisions require that teachers be notified of the specific charges against them, be given an opportunity to correct the specified performance problems, and be given the opportunity to contest the charges in a hearing before a three-member Commission on Professional Competence.

17. Far from erecting insurmountable, multi-million dollar barriers to termination, as Plaintiffs erroneously assert, these provisions operate in practice to encourage communication and performance management before turning to the more drastic measure of termination; prevent premature decisions about terminating a teacher whose performance could be improved; prevent terminations as a result of misunderstandings or arbitrary or unfair reasons; and avoid costs to the public education system of unnecessary teacher turnover. In the absence of such provisions, the risk that teachers would be terminated for inadequate reasons would significantly increase, and teachers facing termination due to purported performance deficiencies might have little or no opportunity to correct those deficiencies prior to being terminated.

18. Teachers with permanent status are routinely charged under these Education Code provisions, and are frequently counseled out of the profession after being charged without the need for any further pro-

ceedings. When a teacher does contest the charges and proceeds to a hearing, the process is far less time-consuming and costly than Plaintiffs maintain. Indeed, one of the primary purposes for creating this dismissal process was to make a more cost-effective and fair process for safeguarding teachers' constitutional due process rights by removing the initial disciplinary hearing from the courts and thereby reducing the burden and costs of litigating dismissal proceedings. *See California Teachers Ass'n v. California* (1999) 20 Cal.4th 327, 356-57.

19. Finally, Plaintiffs challenge the procedures by which school districts implement budget-based RIFs under Education Code §44955. Under these procedures, as between teachers who are competent to teach a subject and are credentialed to do so, school districts generally may not terminate teachers classified as permanent before terminating probationary teachers and teachers with less seniority. However, schools have considerable flexibility under the statute. For example, layoffs may be done out of order if the district "demonstrates a specific need for personnel to teach a specific course or course of study" and the less senior teacher has the necessary special training and experience, while the more senior teacher does not. Educ. Code §44955(d)(1). As a matter of practice, the RIF procedure does not result in a strictly "last in first out" system as Plaintiffs maintain, but a far more nuanced process that hinges on the demonstrated competence and credentials of teachers, seniority, and the special needs of a school district. Further, school districts have latitude to determine factors such as which kinds of services to reduce, tie breaking criteria for teachers with the same

seniority date, criteria for assessing teachers' competence to teach particular subjects, and what kind of special training and experience is needed for purposes of skipping junior employees under the statute.

20. The challenged procedure provides experienced teachers with some job security during economic downturns, ensuring that those teachers who have worked for a district for the greatest amount of time, and who have earned the most credentials, are least likely to be laid off for economic reasons. This job security is valuable to schools and teachers for the same reasons as the limited job protections provided by §44929.21 and the due process dismissal statutes discussed above. Section 44955 establishes an objective standard that school districts must follow when implementing budget-based layoffs, preventing districts from playing favorites or applying some other arbitrary and subjective standard to decide who will be laid off. It also recognizes, as is evident from both research and common sense, that teachers with greater experience tend to be more effective in the classroom than junior teachers.

* * *

I declare under penalty of perjury under the laws of the state of California that the foregoing is true and correct. Executed this 26 day of March, 2013, in Burlingame, California.

_____

Dean E. Vogel

RECORD AND BRIEFS

Supreme Court, U.S.
FILED
SEP - 4 2015
OFFICE OF THE CLERK

No. 14-915

IN THE

Supreme Court of the United States

REBECCA FRIEDRICHS; SCOTT WILFORD; JELENA FIGUEROA; GEORGE W. WHITE, JR.; KEVIN ROUGHTON; PEGGY SEARCY; JOSE MANSO; HARLAN ELRICH; KAREN CUEN; IRENE ZAVALA; and CHRISTIAN EDUCATORS ASSOCIATION INTERNATIONAL,
Petitioners,

v.

CALIFORNIA TEACHERS ASSOCIATION, ET AL.,
Respondents.

On Writ Of Certiorari To The United States Court Of Appeals For The Ninth Circuit

JOINT APPENDIX (VOLUME II OF II)

MICHAEL A. CARVIN
Counsel of Record
HASHIM M. MOOPPAN
JAMES M. BURNHAM
WILLIAM D. COGLIANESE
JONES DAY
51 Louisiana Ave. NW
Washington, DC 20001
(202) 879-3939
macarvin@jonesday.com

JEREMIAH A. COLLINS
Counsel of Record
BREDHOFF & KAISER, PLLC
805 Fifteenth Street. N.W.,
Suite 1000
Washington, DC 20005
(202) 842-2600
jcollins@bredhoff.com

Counsel for Petitioners

PETITION FOR CERTIORARI FILED JANUARY 26, 2015
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Law Library

ALEXANDRA R. GORDON
OFFICE OF THE ATTORNEY GENERAL
455 Golden Gate Ave.,
Suite 11000
San Francisco, CA 94102
(415) 703-5509
alexandra.robertgordon@doj.ca.gov

Counsel for Respondents

TABLE OF CONTENTS

Page

VOLUME I

Docket Entries, *Friedrichs v. Cal. Teachers Ass'n*, No. 13-57095 (9th Cir.) 1

Docket Entries, *Friedrichs v. Cal. Teachers Ass'n*, No. 8:13-cv-00676 (C.D. Cal.) 10

Opinion of the U.S. Court of Appeals for the Ninth Circuit (Nov. 18, 2014)..... 18

Opinion of the U.S. District Court for the Central District of California (Dec. 5, 2013) 19

Statutes & Regulations Involved..... 25

Complaint (Apr. 30, 2013)..... 69

Agreement Between San Luis Obispo County Superintendent of Schools and San Luis Obispo County Education Association, CTA/NEA, 2012-2015 (Ex. A to Comp.)..... 104

Letter from Mitch Olson, President, Kern High Teachers Association, to Non-Member (Ex. B to Comp.)..... 234

CBA, Savanna School District and Savanna District Teachers Association, 2009-2012 (Ex. 1A to Pls.' Mot. for Prelim. Inj.) 236

Letter from Debbie Knapp, CTA, to Albert Acosta, Savanna School District (Ex. 1D to Pls.' Mot. for Prelim. Inj.) 312

CTA/NEA Membership Enrollment Form
(Ex. 1E to Pls.' Mot. for Prelim. Inj.) 314

CTA, *Issues & Action: Collective Bargaining*
(Ex. 13 to Pls.' Mot. for Prelim. Inj.) 325

Decl. of Dean Vogel in Support of Motion to Intervene, *Vergara v. California*, No. BC 484642 (Cal. Sup. Ct. March 26, 2013)
(Ex. 14 to Pls.' Mot. for Prelim. Inj.) 330

VOLUME II

NEA, *Collective Bargaining: What It Is and How It Works*
(Ex. 15 to Pls.' Mot. for Prelim. Inj.) 337

Compendium of Web Pages Cited in Comp.
(Ex. 17 to Pls.' Mot. for Prelim. Inj.) 344

CTA, 2012 *Hudson* Notice
(Ex. 18 to Pls.' Mot. for Prelim. Inj.) 355

CTA, Combined Financial Statements for Year Ended Aug. 30, 2011 (Ex. C to Comp.)..... 362

NEA, Consol. Financial Statements and Supp. Schedules for Years Ended Aug. 31, 2011 and 2010, and Report of Indep. Auditors Thereon (Ex. D to Comp.) 444

NEA, Chargeable and Nonchargeable Audited Expenditures for the 2010-2011 Fiscal Year (Ex. E to Comp.)..... 576

CTA, *Top Ten Reasons Why You Should Vote No on Prop. 75!* (Ex. 19 to Pls.' Mot. for Prelim. Inj.) 613

Plaintiffs' Motion for Judgment on the Pleadings (July 9, 2013) 615

Union Defendants' Amended Answer (Aug. 9, 2013) 621

CTA, 2012-13 Agency Fee Rebate/ Arbitration Request Form (Ex. A to Union Defs.' Am. Answer) 663

Proposed Answer and Affirmative Defenses of Attorney General to Plaintiffs' Complaint (Sept. 19, 2013) 665

NEA Collective Bargaining and Member Advocacy

COLLECTIVE BARGAINING

COLLECTIVE BARGAINING: *WHAT IT IS AND HOW IT WORKS*

Collective bargaining—a mutual exchange of positions followed by agreement—enables a group of employees with a "community of interest" to negotiate a binding written contract with an employer. It gives workers a voice in their workplace and has become a respected approach, valued by employees and employers in the private sector and throughout various levels of government.

A short history of bargaining in America

Passed by Congress in 1935, the National Labor Relations Act (NLRA) established the practice and procedure of collective bargaining in the private sector. The Act declared that "protection by law of the right of employees to organize and bargain collectively safeguards commerce from injury, impairment, or interruption, and promotes the flow of commerce by removing certain recognized sources of industrial strife and unrest."

This groundbreaking statute encouraged "practices fundamental to the friendly adjustment of industrial disputes arising out of differences as to wages, hours, or other working conditions, and by restoring equality of bargaining power between employers and employees."

In the decades that followed, many states passed similar laws to regulate organizing, bargaining, and settling disputes for public workers, including educa-

tors. Collective bargaining offers an organized and transparent system to raise interests and resolve disputes. Currently, teachers in 34 states and the District of Columbia have the legal right to bargain; education support professionals in 32 states and the district have that right, as do most higher education faculty in 28 states and the district. Bargaining in public education is prohibited in only six states.

Collective bargaining is good public policy

Effective bargaining is based on ideals that resonate with both workers and employers, such as working together to solve problems and treating each other with respect. Parties can exchange the frank views of their constituents as they explore and resolve the issues being bargained. When labor and management can come to agreement on salary and benefits while also improving teaching and learning conditions, everyone benefits.

In a non-bargaining environment, workers can only preserve agreements on wages, hours, and working conditions through relationships with managers, legislative lobbying, or employer-written policies and handbooks. Through collective bargaining, however, such arrangements are written into a binding contract, outlasting union and management turnover.

A negotiated union contract is not a set of permanent work rules carved in stone. Any section can, by mutual agreement, be discarded or revised during the talks over a successor contract. And in the healthiest education environments, good union-management relations is a continuous process—often carried out monthly through a joint labor-management committee.

Public education bargaining is constituent driven. On the labor side, union members and their elected leaders steer union decision making. Members determine union bargaining proposals and participate in a democratic, contract ratification vote. On the employer side, negotiators speak to the needs of site-level administrators, school superintendents or university chancellors, K-12 school boards or university trustee boards, and elected officials.

Collective bargaining is an exercise in freedom. In a 2007 decision, the Supreme Court of Canada expressed that ideal eloquently: "The right to bargain collectively with an employer enhances the human dignity, liberty, and autonomy of workers by giving them the opportunity to influence the establishment of workplace rules and thereby gain some control over a major aspect of their lives, namely their work.... Collective bargaining permits workers to achieve a form of workplace democracy and to ensure the rule of law in the workplace."[1] In this country, Martin Luther King Jr. credited the labor movement with creating a better society. "The labor movement," said King, "was the principal force that transformed misery and despair into hope and progress. Out of its bold struggles, economic and social reform gave birth to unemployment insurance, old age pensions, government relief for the destitute, and above all new wage levels that meant not mere survival, but a tolerable life. The captains of industry did not lead this transformation; they resisted it until they were overcome. When in the thirties the wave of

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[1] Health Services and Support – Facilities Subsector Bargaining Assn. v. British Columbia, 2 S.C.R. 391 (2007).

union organization crested over our nation, it carried to secure shores not only itself but the whole society."[2]

Bargaining: step by step

Collective bargaining is a process through which employee union and employer representatives exchange positions, mutually solve problems, and reach a written agreement. That approved contract binds both groups. Here is how the collective bargaining process typically unfolds in public education (there are many local variations):

1. **Preparing for bargaining**. Both sides form bargaining teams and gather information. The union panel usually is selected through a process outlined in the union's constitution and by-laws, while the management team is designated by the employer. Each party may meet with its constituents and/or conduct surveys to identify and then prioritize issues. During this assessment phase, each team also analyzes the current collective bargaining agreement to spot additional needed changes.

2. **Determining the bargaining style**. During this initial period, the parties discuss the style of bargaining to be used during this round of negotiations, most often either proposal bargaining or interest-based bargaining. Either can be used effectively.

   ✓ **Proposal bargaining** is a style in which each team drafts written desired changes to the contract to present to the other side. Based on these proposals, the two bargaining teams en-

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[2] Martin Luther King Jr. (speech, Illinois AFL-CIO Convention, 1965).

gage in discussions until there is agreement on the proposed changes.

- ✓ **Interest-based bargaining** does not start with written proposals. Instead, both sides identify issues that are important to them and discuss why. The "why" is considered an "interest." Both parties explore options to resolve their issues and accommodate each other's interests. The parties agree on standards and procedures to evaluate all options. Both sides discuss the options until there is mutual agreement on a solution. Once the agreement is reached, a subgroup drafts the actual contract language.

3. **Starting negotiations**. Once the bargaining style has been determined, the teams prepare based on the style selected, agree on ground rules, meet at an agreeable location, and start negotiations. State law and court cases determine the mandatory, permissive, and prohibited subjects of bargaining.

4. **Reaching a tentative agreement**. When both bargaining teams are satisfied with the changes, they sign a "tentative agreement." It is only tentative until it has been formally approved by the union's members and the employer's governing board.

If the two teams are not able to reach agreement, they can pursue impasse options provided in state law that may lead to a settlement. There may be four impasse options, depending on state law, and one or all could be used to settle a dispute:

- **Mediation**. An impartial neutral person facilitates dialogue between the parties to help them create and reach a resolution.

- **Fact-finding**. A neutral third party hears presented evidence from the parties and makes a formal nonbinding recommendation to the parties. The parties can either accept or reject the recommendation.
- **Interest arbitration**. A neutral arbitrator conducts a formal hearing, analyzes the information presented, and makes a formal binding decision.
- **Strike**. The union engages in a concerted collective action, through which its members withhold services in order to achieve a settlement. With thousands of education employee contracts bargained each year, fewer than ten, on average, result in a strike.

5. **Ratifying the contract**. When the union and employer teams have reached a tentative contract agreement, they review the proposal with their respective constituency groups.

The union holds a ratification meeting where members ask questions and offer opinions on the tentative contract agreement. Individuals are then asked to vote, usually by secret ballot, on the tentative agreement. Absentee ballots may also be available so that everyone has an opportunity to vote. A majority of votes determines if the contract is ratified or rejected.

The management team generally seeks approval from the school board.

If the tentative agreement is ratified by both sides, then the parties have a new (or successor) agreement. If the tentative contract agreement is not ratified—by either party—the teams usually go back to the bar-

gaining table and continue negotiations. They negotiate until they are able to bring back a new tentative agreement for a vote.

6. **Changing or clarifying the contract.** With the agreement of both parties, any section of a ratified contract can be revised during the term of the contract. In many districts, representatives of labor and management also meet regularly during the term of the contract to talk about and resolve issues of mutual concern. In addition, either at the bargaining table or during the life of a successor contract, the parties can create memoranda of understanding (MOUs). The benefit of the MOU is that it gives the parties an opportunity to reach a temporary agreement on an issue that is important to both the union and the employer.

Disability Insurance

Overview

The CTA Voluntary Disability Plan provides benefits to members when they become totally disabled for any reason. The Plan's benefits include:

- A waiting period of seven consecutive working days or 30 calendar days, whichever is less.
- $25 a day during fully paid sick leave.
- $35 a day for hospital stays, no waiting period (up to a maximum of 60 days).
- Up to 75% of your daily contract salary (coordinated with other income)
- Replaces 75% of extra duty pay (includes coaching pay and summer school pay) lost due to total disability.

Participants in the CTA Voluntary Disability Insurance Program are automatically eligible for the *CTA Health Information and Wellness Program* at no additional cost. This includes a free "Well Baby" program including a toll free nurse line.

This is not a complete description of the Plan and the Plan governs eligibility and benefits. For a complete description of the program, please refer to the CTA Voluntary Disability Insurance Summary Plan Description.

Why Do I Need this Benefit?

- Most school districts do not provide disability insurance coverage for their employees.
- Most new educators do not have disability coverage through the State Teacher's Retirement System (STRS) long-term disability plan.

- Disabilities include pregnancy, injuries that prevent you from working (such as a broken leg or back injury) and long-term illnesses (such as cancer).
- Most CTA Members who become disabled are away from their jobs almost six months.

How to Obtain this Benefit

Voluntary Disability Insurance is available to all eligible CTA members.

Become a member of CTA by:

- Requesting an Application at:

  (650) 552-5278

To enroll in the Voluntary Disability Insurance Plan:

- Request a CTA Disability Insurance Plan Brochure from the Member Benefits Order Form
- Call UnumProvident at:

  (800) 282-4049

- Visit *www.unumprovident.com/enroll/cta*

CTA members are encouraged to apply during Open Enrollment Periods. However, members can apply for coverage at any time.

- During an Open Enrollment, if you meet the eligibility requirements of the plan, your application will be automatically accepted, and you will not have to answer the health questions on the application.
- If you do not apply during open enrollment your application will be subject to health evidence underwriting and insurance company approval.

There are two Open Enrollment opportunities offered by the plan:

1. For new teachers, Open Enrollment is during the first 120 days of their employment.
2. For all chapter members, Open Enrollment occurs if your chapter conducts a successful enrollment campaign and the necessary participation requirements are met.

Once accepted into the Plan, premiums are automatically deducted from your paycheck. Premiums are calculated according to your Annual Contract Salary.

*Premiums are effective 9/1/03

Payroll Deduction Table

Annual Compensation Range			
From	To	Monthly Premium	Tenthly Premium
$ 0	$ 11,249	$ 4.60	$ 5.52
$ 11,250	$ 14,249	$ 6.01	$ 7.21
$ 14,250	$ 17,249	$ 7.41	$ 8.90
$ 17,250	$ 20,749	$ 8.95	$ 10.75
$ 20,750	$ 24,999	$ 10.77	$ 12.93
$ 25,000	$ 30,249	$ 13.01	$ 15.62
$ 30,250	$ 36,749	$ 15.79	$ 18.94
$ 36,750	$ 44,499	$ 19.14	$ 22.97
$ 44,500	$ 53,249	$ 23.02	$ 27.63
$ 53,250	$ 60,249	$ 27.20	$ 32.65
$ 60,250	$ 67,249	$ 30.75	$ 36.89
$ 67,250-+	+	$ 34.19	$ 41.03

How to Use this Benefit

In the event a member would like to participate in the CTA Voluntary Disability Plan, the member should contact:

- UnumProvident's CTA Customer Service Department at:

  (800) 282-4049

- Visit *www.unumprovident.com/enroll/cta*

Related Documents and Forms

Pamphlets

CTA Voluntary Disability Insurance

Plan Brochure

This brochure provides information regarding the voluntary disability insurance plan schedule of benefits, waiting period, and other important enrollment information. This brochure also includes an enrollment application.

CTA Life and Disability

Insurance New Teacher Kit

This kit provides an explanation of the new teacher 120-day open enrollment for the CTA Voluntary Life & Disability Insurance plans. The kit includes an enrollment application.

Contact Information

- UnumProvident's CTA Customer Service at:

  (800) 282-4049

- CTA Member Benefits at:

  (650) 552-5200

- *www.unumprovident.com/enroll/cta*

For More Information

Visit the *CTA Health Information and Wellness page* for information on the BabyWise program.

Pregnancy and Parental Leave Rights

As a California public school employee, your rights to pregnancy and parental leave are governed by California state and federal law as well as by your collective bargaining agreement. The following describes the basic rights provided under state and federal law. You should consult your chapter about additional rights that may be provided to you by your collective bargaining agreement and confirm with your school district what paperwork you need to file when, and with whom, to qualify for the different leaves described below. For more information on these leave rights and on your rights as a California public school employee, visit the *Legal Services section of MyCTA* or contact your local CTA staff person.

Pregnancy-Related Disability Leave

Unpaid leave for the duration of any pregnancy-related disability – either before or after you have your baby. You will likely qualify for pregnancy disability leave, meaning unpaid leave from work for the duration of any physical disability you experience as a result of pregnancy and/or childbirth. Your need for pregnancy disability leave must be verified by your physician and may not exceed four months' time. You can take pregnancy disability leave intermittently as needed. For example, you could take leave during the first trimester for severe morning sickness, in the last trimester for bed rest and following birth for recovery, so long as your physician verifies your need for each period of leave.

To receive pay during the period of your pregnancy-related disability leave, you can use any sick leave that you have accumulated:

- If you work full time for a school district as a certificated employee, you accrue 10 days of paid sick leave a year (Educ. Code 44978).
- If you work part-time, you accrue sick leave proportionate to the number of days per week that you work (Educ. Code 44978).

Unused sick leave accumulates from year to year with no cap and can be transferred (provided you have worked for a district for at least a year), if you subsequently accept a certified position with another school district or community college district (Educ. Code 44979).

Once you have exhausted your sick leave, if you still qualify for pregnancy disability leave, you can obtain extended sick leave, which is often referred to as differential leave pay, for the remainder of your pregnancy disability leave. Differential leave pay is the amount remaining of your salary after the district pays a substitute to fill your position, unless your district has opted to adopt the differential leave pay rate of 50% or more of your salary (Educ. Code 44983). Differential leave pay is available for up to five months for each illness (Educ. Code. 44977). You must exhaust your sick leave in order to qualify for differential leave pay.

Paid pregnancy disability leave if you participate in the State Disability Insurance Program. Although most districts do not participate in the State Disability Insurance ("SDI") program, if your district does and you have opted to make SDI contributions, you

can receive paid pregnancy disability benefits of roughly half of your current salary through the SDI program. For a pregnancy without complications, the benefit period is generally from 4 weeks before your due date to 6 weeks after your delivery. If your pregnancy prevents you from working before or after that period, you may receive benefits for a longer period of time if your doctor verifies your need for additional leave.

Parental Leave

Up to 12 weeks of unpaid parental leave. So long as your school district employs more than 50 employees, and you have worked for the district full time for a full year, you have the right under the California Family Rights Act ("CFRA") and the federal Family & Medical Leave Act ("FMLA") to up to 12 weeks of unpaid leave to care for a new or adopted baby or foster child. The leave must be taken within a year of the baby's birth or the child's placement in your home. You must also provide your employer with 30 days advance notice of your need for parental leave when your need for the leave is foreseeable.

During the period of your parental leave, your employer must maintain your health insurance coverage and must continue to allow you to accrue seniority and receive the other benefits you would ordinarily receive on other types of leave, such as life, short-term or long term disability or accident insurance coverage, and pension and retirement credit. Your right to unpaid leave under the CFRA and FMLA run concurrently, meaning you are only entitled to one 12-week unpaid leave, not to a 24-week leave. As long as you return to work at the conclusion of 12

weeks, the district must assign you to the same or an equivalent position. If you remain on leave longer than 12 weeks, you can continue to maintain your health insurance by paying the premiums yourself under COBRA, but the district is not obligated to hold your job for you until you choose to return.

If you were on pregnancy disability leave, you may take your 12 weeks of unpaid parental leave after your physician clears you to return to work. If you were not on pregnancy disability leave, you may take your 12 weeks of unpaid parental leave upon the birth or placement of your child or at any time during the subsequent year. The parental leave must generally be taken in one block of time, although your district may approve the use of the leave intermittently in some cases. You can receive pay during the period of your unpaid leave by using any vacation or sick leave that you have accumulated.

Paid parental leave if you participate in the State Disability Insurance Program. Although most districts do not participate in the State Disability Insurance ("SDI") program, if your district does and you have opted to make SDI contributions, you are eligible under the SDI Paid Family Leave program to receive 6 weeks of partial pay (approximately 55% of your regular pay) for time off to bond with a new child within 12 months of birth, adoption or placement.

Other Pregnancy Related Protections You Should Know About

Both federal and state laws prohibit your district from discriminating against you based on your pregnancy. In addition, state law requires a school dis-

trict that has a policy, practice or collective bargaining agreement requiring or authorizing the transfer of temporarily disabled employees to less strenuous or hazardous positions for the duration of the disability, to honor a request to transfer to such a position by a pregnant employee. Districts must also honor such a temporary transfer request if supported by your physician, so long as the district can reasonably accommodate your transfer request.

Upon your return to work, the district must provide you with a reasonable amount of break time for breast pumping purposes unless doing so would seriously disrupt the district's operations. The district must also make a reasonable effort to provide you with a room or other location (not a toilet stall) near or in your work area, in which you can express milk in private.

Your collective bargaining agreement may provide you with additional leave rights and other pregnancy-related protections. Check with your CTA chapter to find out what benefits your collective bargaining agreement provides.

I am planning to take a maternity leave in the future and have disability insurance to cover my maternity leave:

- ○ Yes
- ○ No
- ○ Don't know

Vote!

"Total voters . 223"

Volume 17 Issue 4

How is CTA saving you money?

By Diane Morte, CEBS

"We have a safety net."

"***I'm thankful that I signed up*** for the CTA-endorsed disability plan with The Standard when I was hired. We planned to start our family, and I knew I wouldn't receive income or state disability insurance during my medical leaves. I had to protect myself from my anticipated loss of salary. It was so nice during both of my maternity leaves, one lasting almost five months, to receive monthly checks, close to my regular paycheck amounts, from The Standard. We had a safety net in place when we needed it; we could devote energy to my pregnancy and our new babies rather than worrying about where to find money to cover our expenses when the paychecks stopped. I've maintained my disability insurance with The Standard because it provides me with the security of knowing how I'll cover my expenses if I am disabled and unable to work."

Megan De La Mater
John Swett Education Association

"I saved $900."

"***I'm a shopper*** - I'm always comparing insurance rates to ensure that I have the best deal. This year, I found that the CTA-endorsed auto and home insurance carrier, California Casualty, could beat my current carrier's cost substantially, so I purchased full coverage for my car and home. I saved $900 per year! Added bonuses were obtaining California Casualty's unique benefit provisions for educators and the assurance that CTA stands behind their program.

I'm happy that CTA Member Benefits provides these benefits for us."

Christopher Davis
CTA of Berryessa

"Rental car discounts."
"***I often hear positive comments*** about how members save money with CTA Member Benefit programs like the auto rental discount with Enterprise. I use many of the programs myself — The Standard, California Casualty, and Provident Credit Union. I know that the CTA endorsement means that the product and vendor have been vetted; and I can recommend CTA-endorsed products to my fellow members with confidence."

Lynda Campfield
San Leandro Teachers Association

Use it, don't lose it.
Busy and cost-conscious members wish they had heard about them sooner. Whether it's obtaining better coverage, lowering insurance premiums, getting great discounts, or saving time shopping, there are many opportunities to save money.

So check out CTA's special website – it's full of information and tools to help members make wise financial and investment decisions that will save money.

CTA Member Benefits – CTAMemberBenefits.org

CTA Financial and Investment Information – CTAInvest.org

How is CTA saving you money?

We're always happy to hear and share your stories. You can contact us at member_benefits@cta.org, *or call (650) 552-5430.*

CALIFORNIA
TEACHERS
ASSOCIATION

1705 Murchison Drive
Burlingame, CA 94010
P.O. Box 921
Burlingame, CA 94011-0921
phone 650.697.1400

October 15, 2012

Dear Agency Fee Payer:

Your local chapter has identified you as an agency fee payer and has notified you of your agency fee obligation. The purpose of this letter is to give you notice of your legal rights as an agency fee payer and to clarify the difference between fee payer and member status.

As an agency fee payer, you **are not** a member of your Association and do not have access to all the rights and benefits that come with membership. Agency fee payers, **and** members alike, have fees/dues deducted from their paychecks. The amount of the agency fee for a full time teacher is $647 for CTA and $180 for NEA.

You may become a full member of the Association and pay full unified dues to NEA/CTA/Local Association, and take advantage of all rights and benefits that come with membership. Members may vote for Association officers, are covered under the $1,000.000 Educators Employment Liability coverage, have full access to the legal representation provided under CTA's Group Legal Services Program, and are eligible for CTA-sponsored insurance programs and many other valuable membership benefits. A full overview

of CTA programs and membership benefits can be found in the CTA New Member brochure included with these materials.

We strongly urge you to join us in the Association. For your convenience, a membership enrollment form is enclosed. If you choose to become a member of the Association, please complete the enrollment form and return it to your local representative. If you do not know who your local association representative is, you may return the form to our office at the address shown on page 2 of this letter.

If you wish to continue as an agency fee payer, please read the following information concerning the rebate and arbitration request procedure. The right to receive a rebate is available only to those who choose to pay an agency fee rather than become an active member.

In the United States Supreme Court decision in *Abood*, an agency fee requirement was found constitutional. However, if a fee payer objects to supporting a union's political and ideological activities unrelated to collective bargaining ("nonchargeable" activities) the fee payer is allowed to receive a rebate, upon request, of their proportionate share of these expenditures. Pursuant to the United States Supreme Court *Hudson* decision, your collective bargaining representative must provide you with an explanation of the expenditures which it considers chargeable and nonchargeable. This information is to enable you to decide whether you wish to have your agency fee reduced so that you will not have to contribute to nonchargeable expenditures. The information will also enable you to decide whether you wish to chal-

lenge the amounts deemed chargeable and nonchargeable before a neutral decision-maker.

The law allows chargeable agency fee estimates to be based on the most recent fiscal year for which audited figures are available. The California Teachers Association and the National Education Association made calculations regarding their estimated chargeable and nonchargeable expenditures for the 2012-13 school year based on audited financial statements from the 2010-11 fiscal year, the most recent fiscal year for which such statements are available. These summaries are attached and include a full explanation regarding how the calculations were made. Under these calculations, the actual chargeable agency fee for CTA for the 2010-11 year is 68.4% and the actual chargeable agency fee for NEA for the 2010-11 year is 45.89%. To account for any adjustments an arbitrator might order, CTA and NEA have applied a 3% and a 5.89%, respectively, "cushion" to their chargeability figures, reducing these chargeable percentages to 65.4% and 40.0%, respectively.

In the 2012-13 year, CTA dues and fees include a $20 voluntary contribution. Several options exist to redirect the voluntary contribution or request a refund. Fee payers requesting an agency fee rebate will have the $20 refund added to the rebate unless a separate request for the $20 refund was made and provided.

If you do not receive, concurrent with this letter, contrary notification from your local CTA chapter, your chapter will be adopting CTA's chargeable agency fee figure (including the 3% cushion) as its own for 2012-13. This is based on the presumption that the local's percentage of expenditures for representation-

al purposes is at least as great, if not much greater, than this CTA percentage. Many chapters, in fact, spend all their local fees for chargeable purposes. CTA's use of the presumption has been upheld in twenty-five annual agency fee arbitration hearings based on evidence presented regarding the expenditures of a judgmental and/or random sample of CTA locals and other supporting evidence. Regardless of whether the presumption is adopted, however, each local chapter will provide its fee payers with a separate accounting of the chapter's chargeable and nonchargeable expenditures.

If, after reading the enclosed information, you wish to object to your fee being spent for nonchargeable activities, and to request that you receive a rebate for the nonchargeable amount, you must complete the enclosed form (or provide the requested information without using the form) and return it to Agency Fee Rebate, CTA Membership Accounting Department, P.O. Box 4178, Burlingame, California 94011-4178. Your form must be ***postmarked*** **on or before November 15, 2012**. The amount of the CTA and NEA fee required to be remitted by a full time agency fee payer who objects is $482.06. If we do not hear from you within that time, we will assume you have no objection to expenditures for 2012-13. In addition, if you wish to challenge the calculation for CTA's, NEA's or your local chapter's chargeable expenditures in an arbitration hearing, you must check the appropriate boxes on the form. Again, the form must be ***postmarked*** **on or before November 15, 2012**. You ***must*** indicate your name, home address, the name of your school district and the name of your local chapter in any request for agency fee rebate

and/or arbitration. **Note that you may challenge the CTA and/or NEA calculations without challenging your local's calculation. Many fee payers decide to accept their local's calculation and to challenge only CTA and/or NEA. By not checking the box pertaining to the local on the form, we will treat your request for arbitration as a request to arbitrate only the CTA and NEA calculations.** This year's arbitration hearing is currently scheduled for February 19-22, 25-28, March 1, 4-8 and 11, 2013. Part of the hearing will be held in Burlingame and the other part in Los Angeles. The location for each date of hearing will be on the notice of hearing that will be sent by the American Arbitration Association some time in December or early January. If you wish to get this information sooner, you may contact Nelia Lara in the CTA Legal Department at (562) 478-1353 or send an email to her at: nlara@cta.org.

If you request an agency fee rebate, CTA will immediately send you a check representing the nonchargeable amount (including the cushion) for CTA, NEA and the local chapter for the entire 2012-13 year. (If your local chapter is not adopting the presumption, they will send the check representing the local nonchargeable expenses.) If you do not request arbitration, no further adjustment will be made based on the outcome of the arbitration hearing, if any is held. CTA's rebate procedure provides that when an individual requests a rebate in advance of this notice, CTA will mail the rebate within 30 days of receipt of the request, or by October 31, whichever is later.

If you request an arbitration hearing to challenge the calculations of the chargeable amount, you will receive a notice of hearing from the American Arbitration Association. Note that any adjustment the arbitrator may make on the actual chargeable percentage for NEA, CTA or the local will be offset, to the extent possible, by the cushion referred to above.

From the start of this school year, CTA has been placing all CTA and NEA agency fees received into an interest-bearing escrow account. Local chapters have similarly escrowed all local fees received. If you request a rebate, your fees will continue to be held in escrow until the rebate is paid. If no rebate request is made, your fees will be released from escrow when the time period for making the request has passed. If you request arbitration, fees remaining after payment of the rebate will continue in escrow until completion of the arbitration and rebate adjustments, if any.

Enclosed herewith are the following appendices:

(1) 2010-2011 audited financial statements of CTA, including:

a. Detailed description of CTA's calculation of nonchargeable/chargeable expenses;

b. Description of the procedure used by CTA to calculate its nonchargeable/chargeable expenditures (footnote 1 to calculation);

c. Description of CTA's major budget categories (footnote 2 to calculation);

d. Definition of nonchargeable and chargeable expenses (footnotes 3 and 4 to calculation); and

e. Verification of nonchargeable/chargeable calculation.

(2) NEA Fiscal Year 2010-11 Auditor's Report and Financial Statement, including detailed breakdown of chargeable/nonchargeable expenditures for 2010-11, basis for that breakdown, and verification of chargeable/nonchargeable calculation.

(3) Document entitled "National Education Association Chargeable and Nonchargeable Audited Expenditures for the 2010-11 School Year."

(4) Local Association statement of chargeable/nonchargeable Expenditures if provided by CTA by the Local. (Otherwise, available directly from Local Association.) Note, again, that if the Local is adopting the presumption, the Local will use CTA's chargeable percentage, including the 3% cushion, regardless of the percentage indicated in the local's statement.

It is our sincere hope that after reading these material you will realize more fully the efforts made by the Association on your behalf and will choose to become an active member. We believe active membership is the best way to protect your employment interests and to promote educational excellence.

Sincerely,

s/ Mikki Cichocki
Mikki Cichocki
CTA Secretary-Treasurer

California Teachers Association

Combined Financial Statements for the Year Ended August 31, 2011, and Supplemental Summary and Detail Schedules of Nonchargeable and Chargeable Expenditures of Agency Fees for the Year Ended August 31, 2011, and Independent Auditors' Report

* * *

Deloitte

Deloitte & Touche LLP
555 Mission Street
Suite 1400
San Francisco, CA 94105
USA
Tel: +1 415 783 4000
www.deloittte.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of California Teachers Association:

We have audited the accompanying combined statement of financial position of the California Teachers Association (the "Association," a California not-for-profit corporation) as of August 31, 2011, and the related combined statements of activities and changes in net assets and cash flows for the year then ended. These combined financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance

about whether the combined financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such combined financial statements present fairly, in all material respects, the combined financial position of the Association as of August 31, 2011, and the combined changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The accompanying summary and detail schedules of nonchargeable and chargeable expenditures of agency fees for the year ended August 31, 2011, on pages 13 through 35 are presented for the purpose of additional analysis and are not a required part of the basic combined financial statements. This supplementary information is the responsibility of the Association's management and was derived from and relates directly to the underlying

accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United Statements. In our opinion, such information is fairly stated in all material respects when considered in relation to the basic combined financial statements taken as a whole.

/s/ Deloitte & Touche LLP

December 22, 2011, except as to the summary and detail schedules of nonchargeable and chargeable expenditures of agency fees, Note 13, and subsequent event in Note 1 for which the date is October 5, 2012.

CALIFORNIA TEACHERS ASSOCIATION

COMBINED STATEMENT OF FINANCIAL POSITION AS OF AUGUST 31, 2011

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 37,237,365
Short-term investments	68,329,421
Membership dues and accounts receivable — net	4,181,951
Supplies, deposits, and prepaid expenses	2,666,010
Total current assets	112,414,747
PROPERTY AND EQUIPMENT — Net	55,563,221
LONG-TERM INVESTMENTS	17,180,500
TOTAL	$185,158,468
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES:	
Accounts payable and accrued expenses	$ 9,701,582
Accrued payroll and related liabilities	4,508,134
Dues payable to affiliated organizations	15,625,836
Deferred membership dues income	551,907
Current portion of long-term obligations	6,737,285
Total current liabilities	37,124,744
LONG-TERM OBLIGATIONS — Less current portion:	
Capital lease obligations	17,738
Accrued vacation, sick leave, and other related costs	27,508,197

Total long-term obligations	27,525,935
NET ASSETS:	
Unrestricted:	
Undesignated	99,280,052
Designated	18,795,188
Total unrestricted	118,075,240
Temporarily restricted	2,432,549
Total net assets	120,507,789
TOTAL	$185,158,468

See notes to combined financial statements.

CALIFORNIA TEACHERS ASSOCIATION

COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2011

UNRESTRICTED NET ASSETS:	
Revenues:	
Membership dues and fees	$ 177,911,205
Investment gain (loss)	7,882,593
Other	5,474,284
Total revenues	191,268,082
Expenses:	
Statewide programs	73,807,589
Local service delivery	78,119,653
Support services	25,611,975
Other	10,070,902
Total expenses	187,610,119
Net assets released from restriction	108,207
Increase (decrease) in unrestricted net assets	3,766,170
TEMPORARILY RESTRICTED NET ASSETS:	
Contributions	119,697
Interest and investment income	117,838
Net assets released from restriction	(108,207)
Increase (decrease) in temporarily restricted net assets	129,328
INCREASE (DECREASE) IN NET ASSETS	3,895,498
NET ASSETS — Beginning of year	116,612,291
NET ASSETS — End of year	$ 120,507,789

See notes tc combined financial statements.

CALIFORNIA TEACHERS ASSOCIATION
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase (decrease) in net assets	$ 3,895,498
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	2,677,336
Net realized and unrealized (gain) loss on investments	(5,587,121)
Loss on disposal of property and equipment	5,495
Changes in operating assets and liabilities:	
Membership dues and accounts receivable	597,344
Supplies and prepaid expenses	(630,130)
Accounts payable and accrued expenses	(1,008,532)
Accrued payroll and related liabilities	(2,152,542)
Dues payable to affiliated organizations	3,755,307
Deferred membership dues income	(387,106)
Accrued vacation, sick leave, and other related costs	1,631,586
Net cash provided by operating activities	2,797,135
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchases of investments	(45,438,800)

Sales of investments	43,066.935
Purchase and construction of property and equipment	(5,101,468)
Proceeds from sale of property and equipment	
Net cash used in investing activities	(7.473.333)
CASH FLOWS FROM FINANCING ACTIVITIES — Payments on capital lease obligations	(51.058)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(4,727,256)
CASH AND CASH EQUIVALENTS — Beginning of year	41.964,621
CASH AND CASH EQUIVALENTS — End of year	$ 37,237.365
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION — Cash paid for interest	$ 2.099

CALIFORNIA TEACHERS ASSOCIATION

NOTES TO COMBINED FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED AUGUST 31, 2011

1. ORGANIZATION

The California Teachers Association (the "Association" or CTA) is a California not-for-profit corporation organized to advance the interests of the teaching profession and to promote and improve public education in the state. The Association has controlling interest of the California Teachers Association Institute for Teaching (the "Institute"), an affiliate that was created in 1968 and that provides educational programs. The Association also has controlling interest of the California Teachers Association Disaster Relief Fund (the "Fund"), which was created to provide disaster relief assistance for members impacted by natural and other disasters and California Teachers Association Foundation for Teaching and Learning (the "Foundation") which was created in 2008 to support high-quality teaching and high-quality public schools in the state of California, to make grants of scholarships to qualified students, to provide disaster relief, and to perform all things incidental to or appropriate for the achievement of said specific purposes.

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("generally accepted accounting principles"). Management has evaluated subsequent events during the period from August 31, 2011 to December 22, 2011, and has updated this assessment through October 5, 2012, the

date the combined financial statements were available to be issued.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination — The accompanying combined financial statements include the accounts of the Association and its affiliates, the Institute, the Fund, and the Foundation. All significant intercompany balances and transactions have been eliminated.

Use of Estimates — The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenues and Expenses — Membership dues are recognized as earned on the accrual basis of accounting. Dues received prior to being earned are reported as deferred income until such time as they are earned. Other income consists principally of interest and dividends and both realized and unrealized gains and losses on investments and payments from affiliates. Other ancillary revenues, such as rent, fees, advertising, and reimbursements are not considered to be central to the Association's operation and are offset against related expenses.

Expenses are recognized when incurred on the accrual basis of accounting.

Cash and Cash Equivalents — The Association considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Financial instruments that potentially subject the Association to concentrations of credit risk are primarily cash equivalents, short-term investments, membership dues, and accounts receivable.

Investments — Investments consist of marketable equity securities, certificates of deposit with original maturities greater than 90 days, treasury bills, corporate bonds, and liquid asset funds. Investments are stated at fair market value or at amounts approximating fair market value. Fair market value of marketable equity securities is based upon the last quoted market price on the last business day of the fiscal year. Realized gains and losses from investment transactions are calculated using the weighted-average method.

Investments in fixed-income securities that mature over one year from the date of the combined statements of financial position are classified as long-term investments.

Membership Dues — Membership dues and accounts receivable expose the Association to certain credit risks. The Association manages its risk by regularly reviewing its accounts and contracts and by providing allowances for uncollectible accounts.

The Association collects membership dues and fees on behalf of the National Education Association and others and periodically remits these dues and fees to these organizations. Such dues and fees are not rec-

ognized as membership revenue but instead reported as dues payable to affiliated organizations.

Property and Equipment — Property and equipment are carried at cost. Provisions for depreciation and amortization of property and equipment are computed using the straight-line method over estimated useful lives as follows:

Buildings	15-40 years
Furniture and equipment	3-10 years
Leasehold improvements	Life of lease or estimated useful life, whichever is shorter

Accrued Vacation, Sick Leave, and Other Related Costs — Accrued vacation, sick leave, and other related costs are accrued as earned. Such costs are allocated between current and long-term liabilities based on estimates of settlement dates. Upon termination, employees are entitled to compensation for accrued vacation. All employees are allowed to carry over balances of unused sick leave to the following years. Upon termination, unused sick leave is generally forfeited. If an employee retires, accrued sick leave is credited to years of service for purposes of determining retirement benefits. Eligible employees accrue postemployment benefits paid upon termination. Such accrual is estimated based on employment agreement terms, years of service, estimated forfeitures, and estimated salary increases. The Association participates in a multiemployer pension plan (the "Plan"). The Association is contractually obligated to make lump-sum payments to the Plan for additional service credit for employees who retire with unused earned sick days. The additional service

credit is based on formulas in the respective employment contracts.

Income Taxes — The Association, the Institute, the Fund, and the Foundation are entities described in the Internal Revenue Code (IRC) Section 501(c). Consequently, these entities are generally exempt from federal and state income taxes under IRC Section 501(a) and the corresponding California statute whereby only unrelated business income, as defined by Section 512(a)(l) of the IRC, is subject to federal income tax.

Net Assets — The Association classifies its net assets as unrestricted and temporarily restricted.

Temporarily Restricted — Net assets subject to externally imposed restrictions that can be fulfilled by the actions of the Association or by the passage of time.

Unrestricted — Net assets are not subject to externally imposed restrictions. Unrestricted net assets may be designated for use by the Board of Directors of the Association. Such designations limit the area of Association's operations for which expenditures of designated net assets may be made.

Recent Accounting Pronouncements — In January 2010, the FASB issued ASU 2010-06, *Improving Disclosures about Fair Value Measurements*, which, among other things, amends ASC 820 to require entities to separately present purchases, sales, issuances and settlements in their reconciliation of Level 3 fair value measurements (i.e. to present such items on a gross basis rather than on a net basis), and which clarifies existing disclosure requirements provided by ASC 820 regarding the level of disaggregation and

the inputs and valuation techniques used to measure fair value for measurements that fall within either Level 2 or Level 3 of the fair value hierarchy. ASU 2010-06 is effective for fiscal years beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances and settlements in the roll forward of activity in Level 3 fair value measurements (which are effective for fiscal years beginning after December 15, 2010). Effective September 1, 2010, the Association has adopted ASU 2010-06. which did not have a material impact on the combined financial statements.

3. INVESTMENTS

Financial Accounting Standards Board (FASB) ASC 820, *Fair Value Measurement and Disclosures*, a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and enhances disclosure requirements for fair value measurements. The three-level fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), securities not traded on an active market but for which observable market inputs are readily available (Level 2), and the lowest priority to unobservable inputs (Level 3).

The following table summarizes the Association's investments as of August 31, 2011 under the ASC 820 fair value hierarchy levels:

	Fair Value Measurements at August 31, 2011			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	$	$ 413,004	$	$ 413,004
Mutual funds				
Blend funds	2,853,797			2,853,797
Equity funds	22,410,339			22,410,339
Fixed income funds	10,763,971			10,763,971
Commodity funds	2,073,229			2,073,229
Other	319,449			319,449
Common stocks				
Basic materials	2,760,705			2,760,705
Capital goods	297,316			297,316
Consumer goods	3,682,273			3,682,273
Consumer services	310,219			310,219
Energy	3,148,391			3,148,391
Financial services	2,589,567			2,589,567
Health care	1,923,855			1,923,855
Industrial materials	1,894,416			1,894,416
Technology	2,121,144			2,121,144

	Fair Value Measurements at August 31, 2011			
	Level 1	Level 2	Level 3	Total
Telecommunications	1,133,048			1,133,048
Utilities	459,613			459,613
Other	995,486			995,486
Preferred securities	5,974,884	1,037,502		7,012,404
U.S. government bonds	258,845	1,140		259,985
Corporate bonds				
Domestic corporate obligations		15,991,466		15,991,466
International corporate obligations		544,488		544,488
Governmental securities	369,662			369,662
Municipal bonds		1,182,094		1,182,094
Total	$ 66,340,209	$ 19,169,712	$	$ 85,509,921

The investment gain (loss) in the accompanying combined statement of activities and changes in unrestricted net assets for the year ended August 31, 2011, is summarized as follows:

Interest and dividends	$ 2,392,272
Net unrealized gain	2,730,755
Net realized gain (loss)	2,759,566
Investment income (loss)	$ 7,882,593

4. MEMBERSHIP DUES AND ACCOUNTS RECEIVABLE

Membership dues and accounts receivable at August 31, 2011, consisted of the following:

Membership dues and fees	$ 3,383,757
Accounts receivable	1,401,731
	4,785,488
Less allowance for doubtful accounts	(603,537)
Membership dues and accounts receivable — net	$ 4,181,951

5. PROPERTY AND EQUIPMENT

Property and equipment at August 31, 2011, consisted of the following:

Property and equipment:	
Land	$ 9,598,386
Buildings and leasehold improvements	58,973,329
Furniture and equipment	12,595,605
Work in progress	1,517,247
	82,684,567
Less accumulated depreciation and amortization	(27,121,346)
Total	$ 55,563,221
Net book value of assets under capital leases	$ 30,761

6. EMPLOYEE BENEFIT PLANS

The Association provides retirement benefits to substantially all employees through participation in a multiemployer defined benefit retirement plan. In addition, under a health and welfare plan, the Association provides health insurance benefits to substantially all employees on a defined contribution basis and to certain retired employees on a defined benefit

basis. Each plan is administered by a Joint Board of Trustees. Contributions to these plans are determined by provisions of negotiated labor contracts.

The Association maintains a 401(k) Retirement Plan (the "401(k) Plan") covering substantially all full-time employees. The Association contributes annually to the 401(k) Plan based on the 401(k) Plan's provisions in accordance with employment agreements.

Contributions at August 31, 2011, to the plans by the Association were as follows:

Defined benefit retirement plan	$ 18,265,045
Health and welfare plan	15,934,246
401(k)plan	2,314,883

7. RELATED-PARTY TRANSACTION

The Association is the Plan sponsor for the Economic Benefits Trust (EBT), which provides certain welfare benefits to members of the Association. The senior management of the Association serves as the trustees of EBT. The Association and EBT have entered into an expense reimbursement agreement in which the Association provides certain administrative services and EBT reimburses the Association for its direct expenses, which amounted to $1,231,513 during 2011.

8. DEBT FACILITIES

The Association had two revolving loan agreements, one in the amount of $10,000,000 and the other for $20,000,000. Interest is payable monthly at the prime rate or the London InterBank Offered Rate (LIBOR), plus 1.15%, whichever is lower, and the agreements provide for a standby letter of credit in the amount of $750,000. At August 31, 2011, there were no balances outstanding on the revolving loans. The agreements expire on September 30, 2012 and 2017, respectively.

The Association is in compliance with the financial covenants of its revolving loan agreements.

9. LEASES

Capital Leases — The Association leases certain equipment under capital lease arrangements. The capitalized lease obligations reflect the present value of the future minimum commitments, discounted at the interest rates implicit in the leases.

Future minimum payments under capital leases at August 31, 2011, consist of the following:

2012	$ 14,952
2013	12,462
2014	5,685
Total minimum lease payments	33,099

Less amounts representing interest	(1,159)
Present value of minimum lease payments (including $14,202 classified as current)	$ 31,940

Rental Agreements — The Association occupies certain premises throughout California under rental agreements expiring at various dates through fiscal year 2017 Substantially, all leases provide for minimum annual rentals with escalation clauses for specified cost increases.

For the year ended August 31, 2011, gross rent expense amounted to approximately $ 1,677,707, and rental income, principally from affiliated organizations, totaled approximately $231,057 The future minimum rental commitments for all noncancelable operating leases having initial terms in excess of one year as of August 31, 2011, are as follows:

	Rental Commitments	Sublease Income	Net Rental Commitments
2012	$ 1,570,787	$ 13,369	$ 1,557,418
2013	1,235,723		1,235,723

2014	1,187,143		1,187,143
2015	707,490		707,490
2016	218,354		218,354
2017	8,795		8,795
Total	$ 4,928,292	$ 13,369	$ 4,914,923

10. DESIGNATED NET ASSETS

The following funds have been designated by the Association's Board of Directors for specific purposes:

Debt Service Fund — This fund was established for the purpose of debt servicing and reduction.

Political Allocation Fund — This fund serves as a funding structure through which the Association's members may give support for certain state and local issues and candidates for office.

Public Information Program Fund ("*Media Fund*") — The purpose of this fund is to provide for advertisements to educate the public about the achievements, the problems, and the needs of public education from preschool through graduate school.

Initiative Fund — This fund was established for the purpose of participating in the support of or opposition to certain ballot measures.

Advocacy Fund—The purpose of the fund is to promote policies to improve and fight back attacks on public education.

Designated unrestricted net assets at August 31, 2011, are summarized below:

	Balance at August 31, 2010	Increase (Decrease) In Designated Net Assets During the Year	Balance at August 31, 2011
Debt Service Fund	$ 4,902,592	$ 137,815	$ 5,040,407
Political Allocation Fund	331,975	(87,169)	244,806
Media Fund	3,604,291	(1,994,057)	1,610,234

	Balance at August 31, 2010	Increase (Decrease) In Designated Net Assets During the Year	Balance at August 31, 2011
Initiative Fund	10,786,356	(2,425,167)	8,361,189
Advocacy Fund	2,846,498	692,054	3,538,552
Total	$22,471,712	$(3,676,524)	$18,795,188

11. TEMPORARILY RESTRICTED NET ASSETS

Temporarily Restricted Net Assets — Temporarily restricted net assets are restricted for the following purposes:

Disaster Relief Fund — The Fund is endowed to provide financial assistance to the Association members who have experienced losses due to disasters in California.

Institute for Teaching — Includes an intensive, long-term process to strengthen school communities and improve student achievement.

Temporarily restricted net assets at August 31, 2011, are summarized as follows:

Disaster Relief Fund	$ 2,381,593
Institute for Teaching	50,956
Total	$ 2,432,549

12. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the Association is a party to claims and legal actions by members, vendors, and others. The Association's policy is to accrue for amounts related to these claims and legal actions if it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated. The combined financial statements reflect any liabilities that meet the policy described above. After consulting with legal counsel, the Association management is of the opinion that any liability that may ultimately result of claims or legal actions will not have a material effect on the combined financial position or results of operations of the Association.

13. CORRECTION OF INVESTMENT ACTIVITY PRESENTATION ON STATEMENT OF CASH FLOWS

Subsequent to the issuance of the 2011 combined financial statements, management determined that, under generally accepted accounting principles, purchases and sales of investments should be presented on a gross, rather than net, basis in the combined statement of cash flows. Accordingly, the presentation of investing activity in the accompanying 2011 statement of cash flows has been corrected from Net purchase and sales of investments of ($2,371,865) to separate line items of Purchases of investments ($45,438,800) and Sales of investments ($43,066,935). This correction had no effect on net cash used in investing activities.

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SUPPLEMENTAL SCHEDULES

CALIFORNIA TEACHERS ASSOCIATION

SUPPLEMENTAL DETAIL OF NONCHARGEABLE AND CHARGEABLE EXPENDITURES OF AGENCY FEES FOR 2010-2011 (NOTE 1)

	Budget Category	Expenditures	Nonchargeable	%	Chargeable	%	Allocable	%
	(Note 2)		(Note 3)		(Note 4)			
Governance		$10,445,126	$ 483,400	4.6%	$ 8,483,343	81.2%	1,478,383	14.2%
Governmental Relations		7,607,773	7,607,773	100.0%				
Association for Better Citizenship		7,924,156	7,924,156	100.0%				
Legal Services		9,205,221	5,380,060	58.4%	3,825,161	41.6%		

	Budget Category	Expendi-tures	Noncharge-able	%	Charge-able	%	Allocable	%
	(Note 2)		(Note 3)		(Note 4)			
Regional Services		71,537,655	4,911,941	6.9%	66,625,714	93.1%		
Negotiations and Organizational Development		7,077,841	243,076	3.4%	6,834,765	96.6%		
Training, Information & Development		1,863,950	1,081,964	58.0%	781,986	42.0%		
Communi-cations		6,180,021	2,824,426	45.7%	3,355,595	54.3%		
Human Rights/		4,929,365	2,269,445	46.0%	2,659,920	54.0%		

	Budget Category	Expenditures	Noncharge-able	%	Charge-able	%	Allocable	%
	(Note 2)		(Note 3)		(Note 4)			
Community Outreach								
Instruction and Professional Development		2,902,994	160,611	5.5%	2,742,383	94.5%		
Accounting		5,957,304			5,957,304	100.0%		
Business Services		929,318			929,318	100.0%		
Central Services		2,858,484			2,858,484	100.0%		
Conference		2,263,586	470,407	20.8%	1,793,179	79.2%		

	Budget Category	Expenditures	Noncharge-able	%	Charge-able	%	Allocable	%
	(Note 2)		(Note 3)		(Note 4)			
Coordination Center								
Governance Support		2,236,167	102,863	4.6%	1,815,767	81.2%	317,537	14.2%
Human Resources Management		1,851,127			1,851,127	100.0%		
Integrated Systems and Strategies		4,223,508	11,524	0.3%	4,211,984	99.7%		
Management		4,971,145	349,255	7.0%	1,124,684	22.6%	3,497,206	70.4%

	Budget Category	Expendi-tures	Noncharge-able	%	Charge-able	%	Allocable	%
	(Note 2)		(Note 3)		(Note 4)			
Occu pancy/ Proper-ties		5,332,913	406,334	7.6%	4,926,579	92.4%		
Capital Expendi-tures/ Depre ciation		3,711,851	370,832	10.0%	3,341,019	90.0%		
Debt Reduc tion and Service		182,571			182,571	100.0%		
Crisis Assis tance Fund		140,649			140,649	100.0%		

	Budget Category	Expendi-tures	Noncharge-able	%	Charge-able	%	Allocable	%
	(Note 2)		(Note 3)		(Note 4)			
Advoca-cy/Foun dation		1,338,704	1,338,704	100.0%				
Media Adver tising Fund		6,101,241	6,101,241	100.0%				
Initiative Fund		15,370,766	15,370,766	100.0%				
Subtotal		187,143,436	57,408,778	31.6%	124,441,532	68.4%	5,293,126	
Allocable Expen ditures			1,672,628		3,620,498		$5,293,126	
Total Non charge		$187,143,436	$ 59,081,406		$128,062,030			

	Budget Category	Expendi-tures	Noncharge-able	%	Charge-able	%	Allocable	%
	(Note 2)		(Note 3)		(Note 4)			
able and Charge able Expendi tures								
Final Non charge able and Charge able Percen tages				31.6%		68.4%		

See notes to the summary and supplemental detail schedule of nonchargeable and chargeable expenditures of agency fees.

CALIFORNIA TEACHERS ASSOCIATION

SUPPLEMENTAL DETAIL OF NONCHARGEABLE AND CHARGEABLE EXPENDITURES OF AGENCY FEES FOR 2010-2011

Governance	Total Expenses	Nonchargeable	%	Chargeable	%	Allocable	%
Departmental Programs:							
1.0 State Council of Education	$ 2,944,108	$ 147,205	5.0%	$ 2,796,903	95.0%	$ -	-%
2.0 NEA Convention	925,485			925,485	100.0%		
3.0 Advisory Groups	826,841	336,195	40.7%	490,646	59.3%		
4.0 Board of Directors	4,270,309			4,270,309	100.0%		

Governance	Total Expenses	Nonchargeable	%	Chargeable	%	Allocable	%
5.0 Executive Officers	1,478,383					1,478,383	100.0%
Governance	$10,445,126	$ 483,400		$ 8,483,343		$1,478,383	
Departmental Nonchargeable, Chargeable and Allocable Percentages		4.6%		81.2%		14.2%	

See notes to the summary and supplemental detail schedule of nonchargeable and chargeable expenditures of agency fees.

(Continued)

CALIFORNIA TEACHERS ASSOCIATION

SUPPLEMENTAL DETAIL OF NONCHARGEABLE AND CHARGEABLE EXPENDITURES OF AGENCY FEES FOR 2010-2011

Legal Services	Total Expenses	Nonchargeable	%	Chargeable	%
Payroll (Note 5)	$4,817,489	$ 645,544	13.4%	$ 4,171,945	86.6%
Staff Travel and Expenses (Note 6)	255,209	34,198	13.4%	221,011	86.6%
Office Expenses (Note 6)	50,169	6,723	13.4%	43,446	86.6%
Law Library	85,856			85,856	100.0%
Departmental Programs:					
1.1 Legal Services					
Public Employment Relations Board	10,973	3,285	29.9%	7,688	70.1%
Arbitration	77,026	5,928	77.0%	71,098	92.3%

Legal Services	Total Expenses	Nonchargeable	%	Chargeable	%
Other Legal Services	7,627,810	7,627,810	100.0%		
1.3 Group Legal Services Attorneys Meeting	28,572	28,572	100.0%		
1.4 Commission on Professional Competency Panel	18,540	18,540	100.0%		
2.1 Kate Frank/DuShane Unified Legal Services Programs (Note 8)	(3,766,423)	(2,990,540)	79.4%	(775,883)	20.6%
Legal Services	$9,205,221	$ 5,380,060		$ 3,825,161	
Departmental Nonchargeable and Chargeable Percentages		58.4%		41.6%	

See notes to the summary and supplemental detail schedule of nonchargeable and chargeable expenditures of agency fees.

(Continued)

CALIFORNIA TEACHERS ASSOCIATION

SUPPLEMENTAL DETAIL OF NONCHARGEABLE AND CHARGEABLE EXPENDITURES OF AGENCY FEES FOR 2010-2011

Regional Services	Total Expenses	Nonchargeable	%	Chargeable	%
Payroll (Note 5)	$34,837,784	$1,707,051	4.9%	$ 33,130,733	95.1%
Staff Travel and Expenses (Note 6)	2,598,158	127,310	4.9%	2,470,848	95.1%
Office Expenses (Note 6)	477,908	23,417	4.9%	454,491	95.1%
Departmental Programs:					
1.1 Service Center Councils	1,357,809	152,075	11.2%	1,205,734	88.8%
2.1 UniServ (Note 9)	18,735,411	1,030,448	55.0%	17,704,963	94.5%
3.1 Chapter Liability Insurance	163,869			163,869	

Regional Services	Total Expenses	Nonchargeable	%	Chargeable	%
4.1 Regional Conferences	143,327	15,766	11.0%	127,561	89.0%
4.2 Regional Training	121,632			121,632	100.0%
4.3 Regional Organizing/ Community Outreach and Regional Political Academics	84,351	84,351	100.0%		
5.1 UTLA Consulting (Note 10)	12,241,911	1,554,723	12.7%	10,687,188	87.3%
5.2 CFA Consulting (Note 10)	365,000	116,800	32.0%	248,200	68.0%
6.1 Internal Organizing	282,635			282,635	100.0%
6.2 Ethnic Minority Early Identification Development Program	27,860			27,860	100.0%

Regional Services	Total Expenses	Nonchargeable	%	Chargeable	%
7.1 Charter Schools, ESEA and Public School Choice Programs and Support	100,000	100,000	100.0%		
Regional Services	$71,537,655	$4,911,941		$ 66,625,714	
Departmental Nonchargeable and Chargeable Percentages		6.9%		93.1%	

See notes to the summary and supplemental detail schedule of nonchargeable and chargeable expenditures of agency fees. (Continued)

SUPPLEMENTAL DETAIL OF NONCHARGEABLE AND CHARGEABLE EXPENDITURES OF AGENCY FEES FOR 2010-2011

Negotiations and Organizational Development	Total Expenses	Nonchargeable	%	Chargeable	%
Payroll (Note 5)	$ 6,233,530	$ 205,706	3.3%	$ 6,027,824	96.7%
Staff Travel and Expenses (Note 6)	524,989	17,325	3.3%	507,664	96.7%
Office Expenses (Note 6)	69,837	2,305	3.3%	67,532	96.7%
Departmental Programs:					
1.1 Subscriptions	3,257			3,257	100.0%
1.2 Negotiations Database and Contract Reference Manual	96,000			96,000	100.0%
1.3 Bargaining Strategy and Implementation	46,083	12,000	26.0%	34,083	74.0%
1.4 Publications	52,586			52,586	100.0%

Negotiations and Organizational Development	Total Expenses	Nonchargeable	%	Chargeable	%
1.5 Salary and Benefits Data	27,500			27,500	100.0%
2.1 Staff Training	22,959	5,740	25.0%	17,219	75.0%
2.2 Multimedia Resources and Materials	1,100			1,100	100.0%
Negotiations and Organizational Development	$ 7,077,841	$ 243,076		$ 6,834,765	

Negotiations and Organizational Development	Total Expenses	Nonchargeable	%	Chargeable	%
Department Nonchargeable and Chargeable Percentage		3.4%		96.6%	

See notes to the summary and supplemental detail schedule of nonchargeable and chargeable expenditures of agency fees.

(Continued)

CALIFORNIA TEACHERS ASSOCIATION

SUPPLEMENTAL DETAIL OF NONCHARGEABLE AND CHARGEABLE EXPENDITURES OF AGENCY FEES FOR 2010-2011

Training, Information & Development	Total Expenses	Nonchargeable	%	Chargeable	%
Payroll (Note 5)	$ 1,425,962	$ 770,019	54.0%	$ 655,943	46.0%
Staff Travel and Expenses (Note 6)	110,938	59,907	54.0%	51,031	46.0%
Office Expenses (Note 6)	28,225	15,242	54.0%	12,983	46.0%
Departmental Programs:					
1.1 Multimedia Development	1,829			1,829	100.0%
2.1 Organizing Projects Assistance	14,500	14,500	100.0%		
3.1 Polling	282,496	222,296	78.7%	60,200	21.3%

Training, Information & Development	Total Expenses	Nonchargeable	%	Chargeable	%
Training, Information & Development	$ 1,863,950	$1,081,964		$ 781,986	
Department Nonchargeable and Chargeable Percentages		58.0%		42.0%	

See notes to the summary and supplemental detail schedule of nonchargeable and chargeable expenditures of agency fees.

(Continued)

CALIFORNIA TEACHERS ASSOCIATION

SUPPLEMENTAL DETAIL OF NONCHARGEABLE AND CHARGEABLE EXPENDITURES OF AGENCY FEES FOR 2010-2011

Communications	Total Expenses	Nonchargeable	%	Chargeable	%
Payroll (Note 5)	$ 3,850,731	$1,913,813	49.7%	$ 1,936,918	50.3%
Staff Travel and Expenses (Note 6)	270,328	134,353	49.7%	135,975	50.3%
Office Expenses (Note 6)	68,343	33,966	49.7%	34,377	50.3%
Departmental Programs:					
1.1 Information Services/ Media Contact	64,019	31,991	50.0%	32,028	50.0%
1.2 John Swett Awards	26,423	26,423	100.0%		
2.1 California Educator (Note 7)	1,191,816	257,432	21.6%	934,384	78.4%

Communications	Total Expenses	Nonchargeable	%	Chargeable	%
2.2 California Community College Advocate (Note 7)	53,368	19,052	35.7%	34,316	64.3%
2.3 Pocket Calendar	89,927	89,927	100.0%		
2.4 Organizational Handbook	32,973			32,973	100.0%
2.5 Internal Communications	75,328	75,328	100.0%		
2.6 Special Publications	18,079			18,079	100.0%
2.7 Communications Awards	1,850	1,850	100.0%		
2.8 Video Services	217	217	100.0%		
2.9 Web Page	183,800	59,919	32.6%	123,881	67.4%
2.10 Internet Site	107,810	35,146	32.6%	72,664	67.4%
3.1 Membership	93,313	93,313	100.0%		

Communications	Total Expenses	Nonchargeable	%	Chargeable	%
Promotion					
3.2 Information Promotion	51,696	51,696	100.0%		
Communications	$ 6,180,021	$2,824,426		$ 3,355,595	
Department Nonchargeable and Chargeable Percentages		45.7%		54.3%	

See notes to the summary and supplemental detail schedule of nonchargeable and chargeable expenditures of agency fees.

(Continued)

CALIFORNIA TEACHERS ASSOCIATION

SUPPLEMENTAL DETAIL OF NONCHARGEABLE AND CHARGEABLE EXPENDITURES OF AGENCY FEES FOR 2010-2011

Human Rights/ Community Outreach	Total Expenses	Nonchargeable	%	Chargeable	%
Payroll (Note 5)	$ 3,842,310	$1,586,874	41.3%	$ 2,255,436	58.7%
Staff Travel and Expenses (Note 6)	462,107	190,850	41.3%	271,257	58.7%
Office Expenses (Note 6)	57,166	23,610	41.3%	33,556	58.7%
Human Rights Programs:					
1.1 Human Rights Awards	9,466	9,466	100.0%		
2.1 Leadership Development Program	2,260			2,260	100.0%
2.2 Women's Leadership Training	7,612			7,612	100.0%

Human Rights/ Community Outreach	Total Expenses	Nonchargeable	%	Chargeable	%
2.3 Specialty Workshops	3,772			3,772	100.0%
2.4 Gay/Lesbian Program	5,125			5,125	100.0%
2.5 Running for Office	1,254	1,254	100.0%		
3.1 Teachers/Student High-Risk Program	32,311			32,311	100.0%
4.2 Human Rights Contact Program/ Women's Affairs Contact Program	20,318			20,318	100.0%
4.3 Minority Teacher Recruitment Program	26,020	26,020	100.0%		
4.4 Unconscious Bias Training	22,192			22,192	100.0%
4.5 Ethnic Minority Representation Program	6,081			6,081	100.0%

Human Rights/ Community Outreach	Total Expenses	Nonchargeable	%	Chargeable	%
5.1 Student CTA	198,362	198,362	100.0%		
Community Outreach Programs:					
5.2 Meetings	8,367	8,367	100.0%		
6.1 Community Organizing and Events	113,669	113,669	100.0%		
6.2 Promotional Materials	26,144	26,144	100.0%		
6.3 Community Based Organizing	53,018	53,018	100.0%		
Community Outreach – Summer Institute	2,246	2,246	100.0%		
Income/Grants	7,042	7,042	100.0%		
Teachers for Healthy	22,523	22,523	100.0%		

Human Rights/ Community Outreach	Total Expenses	Nonchargeable	%	Chargeable	%
Kids					
HUMAN RIGHTS/COMMUNITY OUTREACH	$ 4,929,365	$2,269,445		$ 2,659,920	
Department Nonchargeable and Chargeable Percentages		46.0%		54.0%	

See notes to the summary and supplemental detail schedule of nonchargeable and chargeable expenditures of agency fees.

(Continued)

CALIFORNIA TEACHERS ASSOCIATION

SUPPLEMENTAL DETAIL OF NONCHARGEABLE AND CHARGEABLE EXPENDITURES OF AGENCY FEES FOR 2010-2011

Instruction and Professional Development	Total Expenses	Nonchargeable	%	Chargeable	%
Payroll (Note 5)	$ 2,182,799	$ 141,882	6.5%	$ 2,040,917	93.5%
Staff Travel and Expenses (Note 6)	243,878	15,852	6.5%	228,026	93.5%
Office Expenses (Note 6)	36,858	2,396	6.5%	34,462	93.5%
Departmental Programs:					
1.1 Special Interest Projects	29,539			29,539	100.0%
2.1 Intervention Support	35,594	481	1.4%	35,113	98.6%
2.3 English Language Learners	150			150	100.0%

Instruction and Professional Development	Total Expenses	Nonchargeable	%	Chargeable	%
3.1 Accountability Support	232,892			232,892	100.0%
3.2 QEIA Evaluation Contract	141,284			141,284	100.0%
Instruction and Professional Development	$ 2,902,994	$ 160,611		$ 2,742,383	
Department Nonchargeable and Chargeable Percentages		5.5%		94.5%	

See notes to the summary and supplemental detail schedule of nonchargeable and chargeable expenditures of agency fees.

(Continued)

CALIFORNIA TEACHERS ASSOCIATION

SUPPLEMENTAL DETAIL OF NONCHARGEABLE AND CHARGEABLE EXPENDITURES OF AGENCY FEES FOR 2010-2011

Conference Coordination Center	Total Expenses	Nonchargeable	%	Chargeable	%
Payroll (Note 5)	$ 1,118,603	$ 232,669	20.8%	$ 885,934	79.2%
Staff Travel and Expenses (Note 6)	25,139	5,229	20.8%	19,910	79.2%
Office Expenses (Note 6)	56,532	11,759	20.8%	44,773	79.2%
Departmental Programs:					
1.3 Good Teaching Conference	128,906	1,805	1.4%	127,101	98.6%
1.4 Equity/Human Rights Conference	74,999	9,900	13.2%	65,099	86.8%
1.5 Presidents Conference	260,557	60,006	23.0%	200,551	77.0%
1.6 Summer Institute	324,177	54,138	16.7%	270,039	83.3%

Conference Coordination Center	Total Expenses	Nonchargeable	%	Chargeable	%
1.8 GLBT Conference	26,476	7,599	28.7%	18,877	71.3%
1.9 Rural Issues/Urban Issues/ESP Conference	122,442	8,693	7.1%	113,749	92.9%
2.1 Incentive Grants	70,515	70,515	100.0%		
3.1 Conference and Hotel Management System	38,915	8,094	20.8%	30,821	79.2%
Caucus Conference	16,325		20.8%	16,325	79.2%
Conference Coordination Center	$ 2,263,586	$ 470,407		$ 1,793,179	
Department Nonchargeable and Chargeable Percentages		20.8%		79.2%	

See notes to the summary and supplemental detail schedule of nonchargeable and chargeable expenditures of agency fees.

(Continued)

CALIFORNIA TEACHERS ASSOCIATION

SUPPLEMENTAL DETAIL OF NONCHARGEABLE AND CHARGEABLE EXPENDITURES OF AGENCY FEES FOR 2010-2011

Integrated Systems & Strategies	Total Expenses	Nonchargeable	%	Chargeable	%
Payroll (Note 5)	$ 3,609,758	$ 10,829	0.3%	$ 3,598,929	99.7%
Staff Travel and Expenses (Note 6)	214,386	643	0.3%	213,743	99.7%
Office Expenses (Note 6)	17,415	52	0.3%	17,363	99.7%
Departmental Programs:					
1.1 Association Technical Support	142,743			142,743	100.0%
1.3 Telecommunications	181,898			181,898	100.0%
2.1 Document Management System Deployment	2,074			2,074	100.0%

Integrated Systems & Strategies	Total Expenses	Nonchargeable	%	Chargeable	%
2.2 Software Application Training	1,750			1,750	100.0%
2.3 IP Telephony	51,078			51,078	100.0%
3.2 Cyber Café	2,406			2,406	100.0%
Integrated Systems & Strategies	$ 4,223,508	$ 11,524		$ 4,211,984	
Department Nonchargeable and Chargeable Percentages		0.3%		99.7%	

See notes to the summary and supplemental detail schedule of nonchargeable and chargeable expenditures of agency fees.

(Continued)

CALIFORNIA TEACHERS ASSOCIATION

SUPPLEMENTAL DETAIL OF NONCHARGEABLE AND CHARGEABLE EXPENDITURES OF AGENCY FEES FOR 2010-2011

Management	Total Expenses	Nonchargeable	%	Chargeable	%	Allocable	%
Payroll (Note 5)	$ 3,074,040	$ -	-%	$ -	-%	$3,074,040	100.0%
Staff Travel and Expenses (Note 6)	340,130					340,130	100.0%
Office Expenses (Note 6)	83,036					83,036	100.0%
Departmental Programs:							
1.1 Corporate Counsel	668,565	15,494	2.3%	653,071	97.7%		
1.2 Audit Fees and Expenses	196,831			196,831			

Management	Total Expenses	Nonchargeable	%	Chargeable	%	Allocable	%
1.3 Consultants	445,587	333,761	74.9%	111,826	25.1%		
1.4 Association Membership Fees	10,239			10,239			
1.5 Professional Liability Insurance	152,717			152,717			
Management	$ 4,971,145	$ 349,255		$1,124,684		$3,497,206	
Department Nonchargeable, Chargeable and Allocable Percentages		7.0%		22.6%		70.4%	

See notes to the summary and supplemental detail schedule of nonchargeable and chargeable expenditures of agency fees.

(Continued)

CALIFORNIA TEACHERS ASSOCIATION

SUPPLEMENTAL DETAIL OF NONCHARGEABLE AND CHARGEABLE EXPENDITURES OF AGENCY FEES FOR 2010-2011

Crisis Assistance Fund	Total Expenses	Nonchargeable	%	Chargeable	%
Departmental Programs:					
Negotiations	$ 103,546	$ -	-%	$ 103,546	100.0%
Arbitration Fund	29,989			29,989	100.0%
Crisis Panel	7,114			7,114	100.0%
Crisis Assistance Fund	$ 140,649	$ -		$ 140,649	
Departmental Nonchargeable and Chargeable Percentages		-%		100.0%	

See notes to the summary and supplemental detail schedule of nonchargeable and chargeable expenditures of agency fees. (Concluded)

CALIFORNIA TEACHERS ASSOCIATION

NOTES TO THE SUMMARY AND SUPPLEMENTAL DETAIL SCHEDULES OF NONCHARGEABLE AND CHARGEABLE EXPENDITURES OF AGENCY FEES FOR 2010 – 2011 BY MAJOR BUDGET CATEGORY

1. AGENCYFEE NONCHARGEABLE/ CHARGEABLE EXPENDITURES CALCULATION

The California Teachers Association ("Association" or "CTA") is required by law to have procedures in effect to determine the amount of its expenditures which can be charged to objecting agency fee payers for "representational" or "chargeable" purposes, i.e., generally those related to collective bargaining, consultation, contract administration, and employee representation related to terms and conditions of employment.

Based on relevant federal and state judicial and administrative decisions, the Association analyzed its expenditures and determined which of those expenditures were nonchargeable to objecting agency fee payers and which were chargeable to objecting agency fee payers.

The Association's annual expenses are divided into major departmental budget categories. For agency fee purposes, these budget categories are designated as either "non-allocable" or "allocable." The Association's non-allocable budget categories are: Governance (non-allocable portions only); Governmental Relations; Association for Better Citizenship; Legal Services; Regional Services; Negotiations and Organizational Development; Training, Information & Development; Communications; Human Rights/Community Outreach; Instruction and Professional Devel-

opment; Accounting; Business Services; Central Services; Conference Coordination Center; Governance Support (non-allocable portions only); Human Resources Management; Integrated Systems and Strategies; Management (non-allocable portions only); Occupancy/Properties; Capital Expenditures/Depreciation; Crisis Assistance Fund; Advocacy/Foundation; Media Advertising Fund; Initiative Fund. The Association's allocable budget categories are: Governance (allocable portions only); Governance Support (allocable portions only); Management (allocable portions only).

Expenditures in non-allocable budget categories are analyzed according to the type of activity involved and are categorized as "nonchargeable" or "chargeable." See Notes 3 and 4, below, for definitions of nonchargeable and chargeable activities. Once all non-allocable budget categories have been analyzed for nonchargeable and chargeable expenditures, such expenditures are totaled and the overall nonchargeable and chargeable percentages for all non-allocable budget categories are determined. Expenditures in budget categories designated allocable are allocated as nonchargeable or chargeable in proportion to these percentages.

All nonchargeable and chargeable expenditures are totaled. These totals provide the Final Nonchargeable and Chargeable Percentages.

The Summary of Nonchargeable and Chargeable Expenditures of Agency Fees for 2010-2011 by Major Budget Category represents, to the best of the Association's knowledge and belief, the Association's actual nonchargeable and chargeable expenditures for

the 2010-2011 year. The calculations have been prepared using historical costs incurred by the Association during the year ended August 31, 2011, which have been included in the Association's audited financial statements, and the application of various assumptions in the allocation of these costs as nonchargeable and chargeable as discussed in the accompanying notes.

2. DESCRIPTION OF MAJOR BUDGET CATEGORIES OF EXPENDITURES

Governance — Provides for all of the direct membership involvement in the control, operation and direction of the Association. The Governance budget also provides for the direct cost of membership policymaking and guidance of the program activities of the Association. The Governance structure with its various internal processes serves membership needs as perceived and directed by the Association's elected leadership.

Governmental Relations — Represents the Association in all aspects of governmental and political relations. It designs, coordinates and implements advocacy programs to achieve the Association's political goals and objectives. It provides political information and assistance to members. It serves as liaison to government and private agencies.

Association for Better Citizenship — Provides bipartisan funding to CTA recommended candidates for local and state offices. It coordinates and directs the Association's involvement in issues and initiatives. It provides membership political action training; membership database and maintenance; member and general public surveying and polling to support

CTA's political agenda. It supports CTA's member oversight and involvement in funding decisions.

Legal Services — Provides three main services to CTA, its chapters and members — legal representation, legal guidance and legal training. Legal Services represents, and oversees the representation of, CTA, its chapters and members in both affirmative and defensive court litigation as well as administrative proceedings. Most, but not all of this representation is provided through legal services programs that the Legal Department administ rs — the Group Legal Services Program (GLS), the NEA Kate Frank DuShane Unified Legal Services Program, and the Educators Employment Liability Insurance Program. Legal Services also advises CTA, its officers and staff regarding labor, employment, and education law and decisions as well as other matters. Finally, the Legal Services provides training for chapters, staff and members and produces an array of publications for staff, chapters and members regarding various legal issues. The training the Legal Services provides includes two separate legal tracks at the CTA Summer Institute, periodic conferences on arbitration, labor and education law issues for staff, an annual conference for the GLS attorneys who provide legal services to CTA chapters and members and an annual conference to train those teachers who serve as panel members on Commissions on Professional Competence.

Regional Services — Regions are responsible for the provision and/or coordination of most CTA programs and services to chapters and members through a system of offices and staff located throughout each region. The 2010-2011 program placed emphasis on: Organizing in support of quality health care and

health benefits; Expanding the field emphasis on building stronger local chapters; Expanding the CTA membership base with K-12 teachers, higher education faculty and education support professionals; Support implementation of the Ethnic Minority Early Identification Development Program (EMEID); Organizing in support of school improvement and restructuring activities with attention to CTA-based charter schools, Immediate Intervention/Underperforming Schools Program (II/USP) and Schools of Greatest Need, Elementary and Secondary Education Act (ESEA) requirements, standards and accountability, and peer assistance and review; Assistance with chapter organization, with development of leadership, liaison with chapters, development of communication systems among members, leaders and the community, and identification and development of local issues; Provide collective bargaining assistance to chapters with particular emphasis on negotiations, contract monitoring, grievance representation procedures, identification and processing of unfair practice charges, and chapter recognition status; Organizing and training for political action and community outreach; Support the implementation of an all member survey; Providing support for the implementation of permissive bargaining issues within the framework of California collective bargaining laws, including professional development and program consultation; Assistance with servicing the Group Legal Services Program for chapters and members; Consultation to Service Center Councils; Staffing and funding of local service delivery program; Maintaining of mandated peer review assistance and review including consulting teacher training.

Negotiations and Organizational Development — The Negotiations and Organizational Development Department (NODD) is a field based, client driven department in the Regional Services Division. The Department provides resources and expertise in the areas of bargaining, training, budget analysis, mediation, fact-finding support, organizational development and health benefits strategies to assist Primary Contact Staff (PCS) and leaders to achieve the best possible contracts for our members. The department supports local bargaining teams when faced with mediation, fact-finding, and organizing around bargaining issues. In addition to School District Budget Analysis, Bargaining Advisories are sent to staff as necessary on topics that may arise during negotiations; A major department function is the coordination and implementation of training for the Presidents Conference, Summer Institute, and Rural Issues/Urban Issues/ESP Conference; NODD developed, maintains, and provides training on two CTA software programs that are designed to assist the PCS and bargaining teams. Budget Essentials for Negotiations (BEN) analyzes school district budgets and Salary Schedule Analysis (SSA) allows staff and leadership to accurately cost out salary, benefits, step and column, and other aspects of the salary schedule; NODD works with several coalitions to address health care issues, serves as consultant to various CTA committees and provides training to members on health care related topics; NODD maintains CTA Search, an additional resource available to chapter presidents, bargaining chairs and CTA staff. The CTA website has been expanded to allow staff and leaders to download contract language from negotiat-

ed agreements and the CTA Contract Reference Manual. The site now includes Arbitrations Decisions, Bargaining Advisories, Legal Advisories, Fact Finding Reports, Chapter Presidents Handbooks, and other guides; The department analyzes the State Budget for staff and members and explains implications and uses for this information for chapter activities; NODD develops, coordinates and delivers multi-day training sessions for staff to remain current on relevant issues; NODD provides assistance as consultants to a variety of CTA workgroups and State Council committees. In addition, the department works with the Governmental Relations Department on issues such as the State Budget, liaison activities, and negotiations/school finance related legislation; NODD responds to requests from leaders, members, staff and the general public for research about California public schools, public education and other topics of interest; NODD develops and coordinates the CTA Staff Intern Program.

Training, Information & Development — This division is responsible for the coordination of several CTA departments and programs: Communications, Human Rights/Community Outreach, Instruction and Professional Development, multi-media, video and website projects and the CTA Media Fund. The Training, Information and Development Division provides services to elected leadership, members, staff, community organizations and other departments like Governmental Relations and Regional Services. The division is also in charge of CTA's message, brand and overall image.

Communications — The Communications Department is responsible for interpreting and promoting

the Association's total program including the specific programs of other departments both to educators and the public. The Department is specifically charged with representing the Association's goals, policies, programs, services and achievements in the best possible light and with working to raise the image of educators, of public education and of the Association itself. Those responsibilities dovetail with the Department's further mission to produce materials for and to coordinate the Association's overall effort to recruit and retain members. In discharging its responsibilities, the Department issues news releases and otherwise maintains contact with people in the media; participates in the administration of the Association's advertising program; publishes two periodicals and many other publications and printed materials for educators. The Department operates and coordinates all content for the CTA websites and produces an electronic newsletter and other communications for members and other departments. In addition, the Department conducts training sessions in media relations, community action, internal communication, and membership promotion; and assists other Association units to prepare, produce and distribute materials.

Human Rights/Community Outreach — The Human Rights/Community Outreach Department serves as a support base for local affiliates, Service Center Councils, member leaders, staff, community based organizations, advocacy groups, students and parents. Human Rights supports the goals and objectives of the California Teachers Association by advocating equity in all aspects of CTA activities. The Department provides training programs, acts as a con-

sultant to various Association committees, and administers several Association sponsored scholarships and award programs. The Club Ed and Student CTA programs work to recruit minorities into the teaching profession as well as prepare teacher candidates for active participation in CTA. The High Risk Training Program, Women's Leadership Program. Ethnic Minority Leadership Program, the Gay, Lesbian, Bisexual, Transgender Leadership Program, and the Unconscious Bias Training are highlighted trainings that assist our members with current social issues.

The focus of Community Outreach is to delve deeper into the relationship established with organizations outside of CTA over the previous years. The objective is to continue to strengthen the ties with organizations interested in meeting the diverse needs of members, students and neighborhood schools. Through a program of grants to local associations, community partnerships, trainings and statewide organizational efforts, Community Outreach now works more closely and directly with associations and service center councils in all four CTA regions. Grants have been utilized for a wide range of activities including: community fairs, education forums, parental involvement workshops and school clean-ups. The department highlight is the Community Outreach Strand of the Summer Institute.

Instruction and Professional Development — The mission of the Instruction and Professional Development (IPD) Department is to advance the interest of teachers as organized professionals and to assist in the maintenance of the integrity of public education. The issues related to standards-based education, assessment, accountability and school change

guide the Department efforts to meet the needs of educators and students. The IPD Department:

Works to maintain an active Association influence with state agencies and other related organizations in the development of educational policy; Provides leadership and support for commitment to, maintenance of, and improvement of public education; Provides assistance in support of efforts to improve student learning, especially in Schools of Greatest Need; Reinforces CTA efforts to renew public confidence in California public schools by providing materials and assistance to local chapters for building their capacity to meet member needs, especially in areas of improving schools and student learning; Promotes standards for quality professional development to be used by local chapters in bargaining and consultation with districts; Assists local chapters to identify and select resources to support the profession; Works to assist educators to assert their professional rights and responsibilities; Provides support when professional and school improvement issues are bargained and/or advocated; Proposes, promotes and implements practices, policies and legislation, which advance the professional interest of educators and education support professionals; Facilitates the development of training and other professional growth experiences for educators; Synthesizes and disseminates research and information on educational issues that promote student learning and the profession of teaching.

Accounting — Accounting provides for the recording, maintenance and analysis of financial and membership data. Major functions provided are: Processing, verification, recording and monitoring of all receipts and disbursements in compliance with CTA

policies and procedures and generally accepted accounting principles; Preparation of financial statements and reports for Association members, staff, external auditors, and other entities as required; Coordination with other departments and affiliates in the collection of data and information pertinent to the operation and program development of the Association; Reports and filings required by regulatory agencies; Budget monitoring in accordance with Association guidelines and procedures; Record keeping, reporting and coordinating in compliance with legal requirements for agency fee; Service and assistance to affiliates, members and staff on membership processing and dues accounting, and other fiscal matters; Training sessions for affiliate financial representatives and staff in the areas of membership processing, general accounting, and other financial areas; Development, maintenance and analysis of the CTA membership database and connected systems that support the programs and services of the Association; Identify opportunities and implement processes to provide member information via the web; Implement systems and processes that provide efficiencies and make better use of the Association's assets.

Business Services — The Business Services Department objectives are: (1) provide a centralized organizational purchasing function. The Department works closely with other departments to determine capital needs as well as working to secure favorable pricing and terms on a variety of goods and services acquired by the Association. (2) Provide direct support to business application and system initiatives. Business Services works with other departments in the Business Division regarding application software

selection, implementation as well as enhancements and upgrades to current business systems and processes. (3) Identify and develop key strategic vendor relationships. Business Services works with CTA's suppliers in an effort to deliver a high level of value and service for the Association at the right price. Additionally, Business Services works closely with the Accounting Department and the Controller's Office to ensure proper controls and procedures are in place for certain business and financial transactions.

Central Services — Produces materials, maintains facilities, provides general support for departments:

In Office Services, graphics staff design, develop, and assist others in the creation of eye-catching document covers, posters, printed media ads, flyers, pamphlets and other items for use at CTA leadership meetings, conferences, training programs, in the print media, and elsewhere. Using state-of-the-art digital presses to generate quality color work, high speed copiers to make millions of black and white impressions and offset presses to produce letterhead stationery and envelopes, staff in the copy centers and print shop provide printed materials for CTA departments, Service Center Councils, UniServ Units and Chapters. Bindery staff use equipment to finish, fold, sort, bind, staple and turn printed material into completed products which are then processed to be mailed, shipped or delivered wherever needed.

Record Center staff maintain and catalogue the Association's historical records and manage the off-site storage facility.

The Property Management department, on a statewide basis, oversees the maintenance of CTA

owned property and buildings. handles tenant relations, coordinates construction projects. searches for new properties, makes recommendations for the sales of property when appropriate and manages the off-site storage facility.

Building Services handles maintenance and repair projects at the Headquarters and Santa Fe Springs facilities and the skilled staff from this department are deployed to other CTA offices as well. They also store CTA branded forms, envelopes, and stationary, and coordinate receipt of office supplies from the Association's primary vendor, and handle internal distribution of these items.

Conference Coordination Center — Working with other CTA departments, the Conference Coordination Center is responsible for coordination and delivery of CTA statewide conferences. The Department provides increased services and value to conference attendees with the support and coordinated efforts of all respective participating departments and member conference planning committees. Conference and events under the purview of the Conference Coordination Center include the President's Conference, Summer Institute, Good Teaching Conference-North, Good Teaching Conference-South, Equity and Human Rights Conference, Rural Issues/Urban Issues/ESP Conference, Regional Leadership Conferences, GLBT Conference and the quarterly State Council of Education Meetings. The Conference Coordination Center also coordinates statewide meetings for CTA staff training. Conference Coordination Center administers and funds minority and new leader grants to CTA members so they can benefit from the many professional development opportunities at the CTA con-

ferences. Grants are also available to members from small chapters. The Conference Coordination Center provides support to various other meetings of CTA affiliates and service centers, including site selection, hotel contract negotiations, on-line registration and other logistics planning.

Governance Support — Governance Support coordinates all governance functions for the State Council, the Executive Officers, and the Board of Directors including scheduling, logistics record keeping and secretarial services. Governance Support provides:

Preparation, development and support for State Council meetings, including preparation of State Council minutes; Preparation and support for Board of Directors meetings including the preparation and distribution of minutes; Staff support for the Executive Officers and the Board of Directors; Coordination of California's participation in the NEA Representative Assembly; Development and maintenance of State Council Representation records; Staff support to the Representation Committee; Staff support to the Elections and Credentials Committee; Staff support to the Local Governance Documents Review Committee; Preparation and maintenance of the Board Advisory Group listing; Facilitation of membership involvement on CTA task forces and attendance at non-CTA conferences; Reconciliation of leader/member expenses; Development of the Orientation Handbook for State Council Members; Development of the Handbook for State Council Committee Chairpersons; Preparation of the State Council Representation Report; Preparation of election publications, including the CTA Elections Manual and Guidelines for Chapter Election Procedures; Preparation of

Guidelines for Development of Bylaws and Standing Rules for Charter Chapters of CTA.

Human Resources Management — Human Resources Management is responsible for the conduct of all phases of the employer-employee relationship between CTA as an employer and its staff. Specifically, the department performs the following functions:

Coordinates implementation of staff collective bargaining agreements, policies governing non-bargaining unit staff, and staff grievance procedures; Conducts staff recruitment, screening and hiring; Conducts new employee orientations; Coordinates staff training programs and the CTA Diversity Program; Coordinates workshops for members who want to become UniServ staff; Coordinates implementation of the NEA UniServ Pre-Employment Development Program; Implements staff recognition program; Implements staff compensation program; Implements CTA's Safety Programs which include: Injury and Illness Prevention Program, CTA Ergonomic Program, Workplace Violence Prevention Program, Hazard Communication Program and CTA's Emergency Action Plan; Liaison with the Health & Welfare Benefits Trust regarding administration of staff benefits; Liaison to the CTA Employees' Retirement Benefits Trust; Provides Human Resources services to affiliates that employ staff; Provides communications and data collection and dissemination relative to personnel, labor relations and staffing; Represents CTA to governmental agencies concerned with Employer-Employee Relations; Responsible for Code of Ethics.

Integrated Systems & Strategies — Integrated Systems and Strategies Department provides for the

development and coordination of the Association's electronic data collection, processing, retrieval and reporting system. The Integrated Systems and Strategies Department provides:

Statistical information of monitoring performance, measuring variances from CTA's goals, and projecting alternative methods of action or possible results based on trend analysis, economic conditions, demographics, and other information for all Association activities; Coordinates the operation and monitors the reliability of NEA computer systems; Coordination of a variety of technology-related projects including, but not limited to, new computer applications; Evaluation, deployment, and coordination of new computer hardware and software as it relates to CTA organizational use; Coordination of the acquisition and implementation of computer equipment for CTA offices and affiliates; Support of staff on the proper use of equipment and related software; On-going support and assistance to computer users in CTA offices statewide; Coordination of CTA staff access to the Internet and maintain CTA presence as a World Wide Web site; Deployment and support of the Association's Wide Area Network.

Management — Management is responsible for the overall supervision of operations and execution of programs. Management also provides: Assistance to CTA Executive Officers, Board of Directors, and other Governance groups in the formulation of goals and policies in accordance with the needs and desires of the membership; Planning and execution of Governance directed programs designed to fulfill the goals and objectives of the Association; Coordination and direction of all staff activities to ensure efficient use

of staff time; Legal assistance to the Association; Coordination of independent financial reporting for the Association; Maintenance and preservation of the Association's properties and other assets; Establishment and maintenance of contacts with other education associations including state agencies and related organizations; Administration of the Association's corporate insurances; Budget preparation in accordance with Association's guidelines and procedures.

Occupancy/Properties — Provides for: Payments of rents, taxes, utilities, insurance and other miscellaneous expenses of CTA properties and offices.

Capital Expenditures/Depreciation — Provides for: Purchase of equipment, furniture and fixtures deemed necessary to improve, expand or create services essential to members and employee performance; replacement of equipment; conversion of obsolete equipment; capitalized improvements to buildings and properties for maintenance of property value, safety standards or improvements of space utilization.

Crisis Assistance Fund — Provides for: Financial support to chapters undergoing elections, negotiations, crisis, and arbitration as administered by the Crisis Assistance Panel.

Advocacy/Foundation — The contribution is in the form of a voluntary $20 reverse dues check-off to support CTA advocacy efforts for public education and a CTA foundation to support member scholarship and grant programs, and teacher driven solutions for public schools. The default allocation option for fiscal year 2010-2011 is $15. Advocacy $5. CTA Foundation.

Media Advertising Fund — The Media Advertising Fund consists of revenues designated for paid adver-

tisement to educate the public about the achievements, the problems, and the needs of public education from preschool through graduate school.

Initiative Fund — The Initiative Fund supports initiatives that advance the cause of free, universal, and quality public education, or to combat initiatives that are hostile to the CTA mission to advance the cause of free, universal and quality education. The annual amount is $36.00 per applicable FDE and is to be kept in reserve for the aforementioned purposes.

3. DEFINITION OF NONCHARGEABLE EXPENSES

Nonchargeable expenses are those which do not relate to performing the duties of the exclusive representative in dealing with the employer on labor-management issues. Nonchargeable expenses generally include those related to:

- Political candidate donations or support, including endorsement process and donations to political parties;
- Campaign donations or support on behalf of state or local ballot initiatives;
- Support for political action committees;
- Voter registration, get-out-the-vote, and political action training;
- Lobbying and political efforts before state legislatures and state administrative agencies;
- Public relations designed to enhance the image of the teaching profession generally and/or the image of the association;
- Litigation unless specifically related to the collective bargaining law, contract administration or organizational maintenance;

- Charitable contributions;
- Membership recruitment;
- Establishing new/expanded bargaining units, or defending against challenges to exclusive bargaining representative status or severance petitions;
- Members-only benefits (e.g. educators employment liability insurance, and advisory groups on members-only benefits); and
- CTA retired and CTA student program activities.

4. DEFINITION OF CHARGEABLE EXPENSES

Chargeable expenses are expenses incurred by the Association in "performing the duties of an exclusive representative of the employees in dealing with the employer on labor-management issues." These expenses include "not only the direct costs of negotiating and administering a collective-bargaining contract and of settling grievances and disputes, but also the expenses of activities or undertakings normally or reasonably employed to implement or effectuate the duties of the union as exclusive representative of the employees in the bargaining unit." *Cumero v. Public Employment Relations Board* (1989) 49 Cal.3d 575, 588. Chargeable expenses generally include those related to:

- Negotiating collective bargaining agreements, including preparation for negotiations;
- Organizing activities undertaken to support the union's efforts in bargaining, including lawful strikes;
- Consultation with the employer pursuant to the EERA on educational objectives, curriculum and textbooks (Gov. Code section 3543.2 (a));
- Contract administration, including investigating and processing grievances;

- Arbitrations;
- Advising bargaining unit members on workplace problems;
- Professional development, curriculum development and implementation, teaching methods, and other instructional skills;
- Site-based decision-making that impacts on other chargeable subject areas;
- Strategic planning and polling on priorities for association activities;
- CTA State Council and Board of Directors; and
- Litigation related to collective bargaining law, contract administration, organizational maintenance.

5. PAYROLL

Staff payroll includes salaries and fringe benefits of professional & associate staff and is allocated according to time sheets which indicate the percentage of time spent by professional staff on chargeable and nonchargeable activities.

6. STAFF TRAVEL AND EXPENSES, AND OFFICE EXPENSES

Staff travel and expenses, and office expenses, are allocated according to the percentages reflected in staff payroll.

7. CALIFORNIA EDUCATOR AND CALIFORNIA COMMUNITY COLLEGE ADVOCATE

California Educator and California Community College Advocate are allocated according to a column-inch measurement of the chargeable and nonchargeable content of those publications. Advertising income has been subtracted from the publication cost to yield a net cost.

8. KATE FRANK/DUSHANE UNIFIED LEGAL SERVICES PROGRAM

The Kate Frank/DuShane Unified Legal Services Program includes money received from National Education Association ("NEA") to offset the costs of legal services provided by the Association and is allocated according to the percentage of chargeable and nonchargeable expenditures for which reimbursement is received.

9. UNISERV

UniServ expenditures are for salaries and fringe benefits of field staff assigned to UniServ Units. Like staff payroll, the expenditures are allocated according to time sheets which indicate the percentage of time spent by these field staff on chargeable and nonchargeable activities. Salaries and fringe benefits of field staff assigned to Regional Resource Centers ("RRCs") are found under staff payroll. All field staff are assigned to either an RRC or a UniServ unit.

10. UNITED TEACHERS LOS ANGELES ("UTLA") AND CALIFORNIA FACULTY ASSOCIATION ("CFA")

These block grants support the programs of UTLA and CFA. The costs are allocated between chargeable and nonchargeable categories based on percentages provided by UTLA and CFA from their own agency fee calculations.

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National Education Association
Of the United States and
Subsidiaries
Consolidated Financial Statements and
Supplemental Schedules
For the years ended August 31, 2011 and 2010
And Report of Independent Auditors Thereon

pwc

REPORT OF INDEPENDENT AUDITORS

To the Executive Committee and Members of National Education Association of the United States Washington, D.C.

In our opinion, the accompanying consolidated statements of financial position and the related statements of activities, and cash flows present fairly, in all material respects, the financial position of the National Education Association of the United States (a nonprofit corporation incorporated by an Act of the United States Congress) and its subsidiaries ("NEA") at August 31, 2011, and August 31, 2010, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These consolidated financial statements are the responsibility of NEA's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted

in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedules listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the basic consolidated financial statements. This additional information is the responsibility of NEA's management. Such information has been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic consolidated financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

November 28, 2011

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2011 AND 2010

	2011	2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 71,145,580	$ 72,716,616
Investments	11,771,200	9,669,193
Membership dues and notes receivable – net	32,705,662	46,351,266
Amount due from affiliates and other organization	676,191	469,002
Accounts receivable	7,609,468	5,663,502
Prepaid expenses	1,811,311	2,245,879
Deferred income taxes	281,117	271,028
Other current assets	1,173,037	1,096,694
Total current assets	127,173,566	138,483,180
LONG-TERM ASSETS:		
Notes receivable – net	$ 7,335,213	$ 3,692,769

	2011	2010
ASSETS		
Investments	17,947,944	10,338,548
Pension asset	8,306,922	4,322,487
Property and equipment - net	67,427,904	66,357,574
Total long-term assets	101,017,983	84,711,378
TOTAL ASSETS	228,191,549	223,194,558
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 12,299,231	$ 18,079,241
Accrued liabilities	18,171,403	14,161,999
Accrued annual leave and fringe benefits	10,742,017	8,129,083
Amount held for affiliates and other organization	724,982	789,571
Total current liabilities	41,937,633	41,159,894
LONG-TERM LIABILITIES:		
Accrued severance payable	6,888,669	6,836,866
Deferred retirement benefits	-	92,023
Deferred income	14,566,811	14,631,789

	2011	2010
ASSETS		
Deferred income taxes	2,329,732	802,234
Total long-term liabilities	23,785,212	22,362,912
Total liabilities	65,722,845	63,522,806
UNRESTRICTED NET ASSETS:		
Undesignated net assets	143,457,925	129,660,296
Net assets designated for Education Assistance	3,475,869	3,717,713
Net assets designated for postretirement benefits	15,534,910	26,293,743
Total unrestricted net assets	162,468,704	159,671,752
TOTAL LIABILITIES AND NET ASSETS	$ 228,191,549	$223,194,558

The accompanying notes are an integral part of these consolidated financial statements.

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS YEARS ENDED AUGUST 31, 2011 AND 2010

	2011	2010
OPERATING ACTIVITIES		
UNRESTRICTED REVENUES		
NEA Programs		
Dues	$352,667,265	$354,357,992
Other	2,288,454	1,986,346
Total NEA Programs	354,955,719	356,344,338
Member Benefits Programs:		
Program Revenues - Suppliers	56,699,186	56,562,040
Other	162,897	7,276
Total Member Benefits Programs	56,862,083	56,569,316
NEA Properties:		
Rental income	1,663,502	1,759,528
Total NEA Properties	1,663,502	1,759,528

	2011	2010
TOTAL UNRESTRICTED REVENUES	413,481,304	414,673,182
EXPENSES:		
Program Services:		
NEA Programs	288,866,198	275,394,837
Member Benefits Programs	45,335,346	47,707,404
NEA Properties	939,572	906,843
Total Program Services	335,141,116	324,009,084
Support Services:		
NEA Programs	67,908,526	67,059,034
Member Benefits Programs	8,243,532	6,894,914
NEA Properties	572,934	428,710
Total Support Services	76,724,992	74,382,658
TOTAL EXPENSES	411,866,108	398,391,742
CHANGE IN NET ASSETS FROM OPERATIONS	1,615,196	16,281,440
NON-OPERATING ACTIVITIES		
Change in Actuarial Gain (Loss) from Defined Benefit Plan and Other Charge	1,181,756	(173,037)
CHANGES IN NET ASSETS	2,796,952	16,108,403

	2011	2010
NET ASSETS, BEGINNING OF YEAR	159,671,752	143,563,349
NET ASSETS, END OF YEAR	$162,468,704	$159,671,752

The accompanying notes are an integral part of these consolidated financial statements.

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS YEARS ENDED AUGUST 31, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	$ 2,796,952	$ 16,108,403
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation	7,444,285	8,251,813
Bad debt expense	4,589,626	1,034,834
Net realized gain on investments	(1,558,185)	(841,311)
Loss on sale of furniture and equipment	505,156	25,517

	2011	2010
Deferred income taxes	39,102	1,017
Deferred income	1,517,409	(171,760)
Change in actuarial (gain) loss from Defined Benefit Pension Plan	(618,050)	(413,558)
Changes in assets and liabilities:	(1,196,801)	173,037
Decrease in membership dues and notes receivable	13,301,428	10,416,960
(Increase) decrease in amount due from affiliates and other organizations	(207,189)	227,820
(Increase) decrease in amounts receivable	(1,973,308)	984,282
Decrease (increase) in prepaid expenses	434,568	(1,313,711)
(Increase) decrease in other current assets	(76,343)	47,732
Increase in notes receivable	(139,043)	(5,861,676)
(Increase) decrease in prepaid pension costs	(2,787,634)	314,430
(Decrease) increase in accounts payable	(5,780,010)	11,340,622
Increase (decrease) in accrued liabilities	4,009,404	(3,159,442)
Increase in accrued annual leave/fringe benefits	2,612,934	326,257
Decrease in amount held for affiliates and other organizations	(64,589)	(42,202)
Increase in accrued severance payable	51,803	472,835

	2011	2010
Increase in deferred income	553,072	98,564
Decrease in deferred retirement benefit	(92,023)	(53,277)
Net cash provided by operating activities	23,362,564	37,967,186
CASH FLOW FROM INVESTING ACTIVITIES:		
Issuances of notes receivable	(7,768,653)	(5,786,031)
Repayments of notes receivable	47,144	6,634,159
Purchases of investments	(34,718,653)	(36,719,818)
Proceeds on sales of investments	26,060,279	34,572,119
Proceeds from sale of fixed assets	56,671	275
Purchases of furniture and equipment	(8,610,388)	(5,676,751)
Purchases of commercial real property	-	(14,000,000)
Net cash used in investing activities	(24,933,600)	(20,976,047)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgage loan payable	-	(5,077,272)
Net cash used in financing activities	-	(5,077,272)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(1,571,036)	11,913,867
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	72,716,616	60,802,749
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 71,145,580	$ 72,716,616

	2011	2010
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION-Cash paid during the year for:		
Interest	$ 8,842	$ 7,993
Income taxes (Member Benefits Corporation)	$ 1,463,250	$ 1,175,000

The accompanying notes are an integral part of these consolidated financial statements.

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED AUGUST 31, 2011 AND 2010

1. ORGANIZATION

The National Education Association of the United States ("NEA") is a not-for-profit organization incorporated under an Act of the United States Congress. Its mission statement reads: "to advocate for education professionals and to unite our members and the nation to fulfill the promise of public education to prepare every student to succeed in a diverse and interdependent world."

To help realize this mission, the NEA adopted a vision of "a great public school for every student." This vision guided NEA's strategic plan and budget, which is organized around three Strategic Goals and five Core Services Areas.

The Strategic Goals address three key challenges:

- *School Funding*—In partnership with state affiliates, establish public policy in at least six states by mobilizing members and the public to build tax and economic infrastructures for achieving adequate and equitable funding for public education.
- *Salary*—Improve starting salaries for teachers, achieve at least a living wage for education support professionals and assist higher education locals to engage in effective salary campaigns.

- *Priority Schools*—In partnership with state affiliates and targeted local affiliates, provide support and advocacy to struggling schools, as identified by states, to become a great public school as measured by NEA's criteria and indicators.

The Core Service areas of the General Operating Fund address regular, ongoing programs and services:

- *Student Learning & Workforce Quality*—Promote policies and programs that create teaching and learning conditions that close the achievement gaps and recruit and retain a quality workforce by improving compensation, retirement benefits, and other working conditions of education employees.
- *Membership*—Partner with state affiliates to provide programs and services that focus on membership growth, retention and engagement.
- *Advocacy*—Support pro-public education candidates, influence elected policy makers, advocate public policy and social justice through collective action, and utilize the best communication strategies to engage members and the public.
- *Partnership*—Develop partnerships that engage the ethnic minority, labor, faith-based, environmental, philanthropic, educational, civil and human rights, and business communities to enhance our ability to achieve great public schools for every student.

- *Business Operations*—Administer the business operations in a manner that supports the changing needs and priorities of the organization and ensures efficient and effective governance and shared services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation—The consolidated financial statements include the accounts of NEA and its wholly owned subsidiaries: NEA Properties, Inc. ("NEAPI"), NEA's Member Benefits Corporation ("MBC"), and MBC's wholly-owned subsidiary, the NEA Professional Services Corporation, and an affiliated entity, National Education Employees Assistance Fund, Inc., ("NEEAF"). MBC serves as a contractor for NEA's member benefits functions. NEEAF is combined with the accounts of NEA due to common control and an economic interest (Note 10). All intercompany accounts and transactions have been eliminated in consolidation.

Measure of Operations—NEA includes in its measure of operations all revenue and expenses that are integral to its continuing core program services with the key objective being predictability of indicated results. Non-operating income and expenses include unrealized appreciation (depreciation) and defined benefit pension charges included in Other Comprehensive Income of MBC.

Basis of Accounting—The accompanying statements are prepared on the accrual basis of accounting. To ensure observance of its bylaws, the resources of NEA are classified internally for accounting and reporting purposes into funds established according

to their nature and purpose. The assets, liabilities, net assets, and changes in net assets are reported in the following two fund groups:

General Fund

- *General Operating Fund*—The bylaws of NEA provide that the General Operating Fund shall comprise all income received in the form of dues, interest, dividends, fees, earnings from advertising, sales of NEA publications, payments for services, and funds received by gift, bequest, devise, or transfer to NEA, which are not specifically designated for deposit in the Capital Improvement Fund.
- *Special Purpose Funds*—NEA has various Special Purpose Funds that consist of funds designated for specific projects and purposes. Special Purpose Funds include activities such as the UniServ Fund, National Education Employees Assistance Fund (Note 10), Special Dues Ballot Fund, Special Dues Media Fund, Advocacy Fund, Cash Stabilization Fund, and NEA-Retired Program Fund. These Special Purpose Funds also include the activities of MBC, which provides support to the Member Benefits Programs, primarily in the areas of administrative, membership services, affiliate support, research and development, and marketing. Additionally, on July 22, 2009, NEA established a wholly owned subsidiary, NEA Properties, Inc. NEAPI is a real estate holding company exempt under section 501(c)(2) of the Internal Revenue Code. Currently, NEAPFs primary purpose is to hold title to and manage

certain commercial real property in Indiana, collect income from that property and periodically surrender the net proceeds derived to NEA.

Capital Improvement Fund

- The bylaws of NEA provide that the Capital Improvement Fund shall comprise the properties and permanent investments of NEA and other funds or properties received by gift, devise, bequest, or transfer for deposit in the Fund. Disbursements from the Capital Improvement Fund to acquire new properties or to provide for major long-term improvements in existing properties shall be authorized by a two-thirds vote of the Board of Directors. Expenditures from this Fund for any other purpose shall be authorized by a two-thirds vote of the Representative Assembly.

Use of Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the deferred revenue, useful life of fixed assets, pension liability, reserve for uncollectible, reserve for contingent liabilities, and deferred tax. Actual results could differ materially, in the near term, from the amounts reported.

Concentration of Risks—Financial instruments that potentially subject NEA to significant concentrations of credit risk principally consist of cash, accounts receivable, and investments. NEA places its cash in a financial institution that is federally insured under the Federal Depository Insurance Corporation Act ("FDICA"). At August 31, 2011 and 2010, the cash aggregate balances were in excess of the FDIC insurance limits by $5,559,795 and $57,037,173, respectively, and therefore, bear some risk, since they were not collateralized. NEA has not experienced any losses on its cash to date related to FDICA insurance limits.

MBC had material revenues from two suppliers representing approximately 42 percent and 42 percent of revenues, respectively, for the year ended August 31, 2011, and approximately 44 percent and 43 percent of revenues, respectively, for the year ended August 31, 2010. As of August 31, 2011, two suppliers accounted for approximately 34 percent and 44 percent of MBC's accounts receivable. As of August 31, 2010, two suppliers accounted for approximately 50 percent and 32 percent of MBC's total accounts receivable.

Cash and Cash Equivalents—Cash equivalents consist of interest-bearing deposits and securities with original maturity of less than three months when purchased and are recorded at cost, which approximates fair value.

Investments—Investments consist of mutual funds, exchange traded funds, and common stocks and are recorded at fair value, with any gains or losses reflected in the consolidated statements of activities and changes in net assets. Net realized gains from

operating activities were $ 1,558,185 and $841,311 for the years ended August 31, 2011 and August 31, 2010, respectively. The net unrealized loss included in operating activities was $490,111 and the unrealized loss included in non-operating activities was $15,045, for a total net unrealized loss of $505,156 for the year ended August 31, 2011. The net unrealized loss included in operating activities were $25,517 for the year ended August 31, 2010.

Property and Equipment—Property and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. The estimated useful lives range from 2 to 15 years for furniture, fixtures, and equipment and 25 to 40 years for buildings and leasehold improvements.

NEA capitalizes direct costs incurred during the application development and implementation stages for developing software for internal use. These software costs are depreciated using the straight-line method over the estimated useful life of the software, generally three to five years. All costs incurred during the preliminary project stage are expensed as incurred.

Depreciation expense were $7,444,285 and $8,251,813 for the years ended August 31, 2011 and 2010, respectively and is reflected in NEA's support services expenses in the consolidated statements of activities and changes in net assets.

Accrued Severance Payable—NEA has a policy entitling employees with over 10 years of service to severance pay equal to 10 weeks of salary. NEA's accrued severance pay has been calculated to approximate in accordance with Accounting Standards for

Compensation-Nonretirement Postemployment Benefits.

NEA-Retired Program ("NEA-Retired")—NEA offers life membership through a Special Purpose Fund known as the NEA-Retired Program. NEA-Retired dues qualify retired members for certain services provided to active members, as well as services designed specifically for retired persons. NEA-Retired dues income is recorded as deferred income when received and amortized using the straight-line method over the estimated life expectancy of its members.

Membership Dues—Membership dues are recognized as income over the membership year, which is September 1 through August 31. Dues are assessed to members as provided in the bylaws. An estimated provision for uncollectibles, write-offs, and cancellations is charged against membership dues revenues.

In accordance with the bylaws, a percentage of the membership dues is allocated to UniServ grants, which are included in NEA's program services expenses, whereby NEA provides grants to state affiliates to assist in funding their staff representatives, whose responsibilities are to implement, improve, and coordinate programs of NEA and the state affiliates.

Program Revenue—MBC's program revenues from suppliers represent fees from contracts with various program suppliers. Fees are recognized as revenue in the period in which they are earned.

Rental Revenue—NEAPI rents office space to various tenants. Rental revenue from operating leases is recognized on a straight-line basis over the term of the lease.

Income Taxes—In June 2009, the FASB issued interpretation Accounting for Uncertainty in Income Tax. This interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. MBC has adopted the interpretation Accounting for Uncertainty in Income Tax effective September 1, 2009. MBC has no uncertain tax positions at August 31, 2011.

Reclassifications—Certain amounts from the prior year have been reclassified to conform with the current year presentation.

3. INVESTMENTS

Investments, at fair value, consist of the following at August 31:

	2011	2010
Equity securities		
Common stocks	$	$ 5,487,045
Mutual funds common stocks	11,771,200	4,182,148
Total equity securities	11,771,200	9,669,193
Debt securities		
Mutual funds fixed income	17,947,944	8,829,362
Exchange traded funds	-	1,509,186
Total debt securities	17,947,944	10,338,548
Total investments	$29,719,144	$20,007,741

Equity securities are purchased and held for sale in the near future.

4. NOTES RECEIVABLE

MBC has a notes receivable from the National Education Technology Funding Corporation, a not-for-profit corporation chartered to assist schools in financing technology, infrastructure, and other purposes to improve the quality of public education. In lieu of interest, borrower will pay risk premium of .0004 percent of certain certificates issued during the term of the loan. The note will mature on December 31, 2011. As of August 31, 2011 MBC has recognized an allowance for doubtful debt against this note in its entire amount.

On March 31, 2010, NEA loaned the Indiana State Teachers Association ("ISTA") $3,060,745. In August 2010, NEA increased the aforementioned note balance to $5,386,031. The note is unsecured and bears interest at a rate of .5% above the LIBOR rate.

During the fiscal year 2011, NEA provided $7,768,653 in additional support and monies to ISTA which increased the outstanding note balance to $13,154,684. As of August 31, 2011 NEA has recognized a $6,000,000 allowance for doubtful debt against this note.

As of August 31, 2011 and August 31, 2010, NEA has accrued interest related to this promissory note of $102,776 and $77,753, respectively.

5. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at August 31:

	2011	2010
Land:		
NEA headquarters	$ 1.753.777	$ 1.753.777
MBC headquarters	837,002	837.002
NEA Properties headquarters	1.943.982	1.952.889
Building and improvements:		
NEA headquarters	79.533.573	79.316.319
MBC headquarters	6,238.237	5,566,612
NEA Properties headquarters	13,824,620	12.402,498
Furniture, fixtures, and equipment	24,230.384	22.078.554
Software development costs	43.702.887	39,760.735
	172,064.462	163.668,386
Less accumulated depreciation and amortization	(104.636.558)	(97.310.812)
Total property and equipment	$ 67.427.904	$ 66,357,574

6. MORTGAGE PAYABLE

Capital Improvement Fund—A mortgage loan with a 20-year maturity in the amount of $52,000,000 was entered into with an insurance company in October 1991. The loan is evidenced by five notes, with varying maturity dates and interest rates. The interest rates of the mortgage notes range from 10.00% to 10.40%, which are collateralized by NEA's headquar-

ters office building and personal property. The mortgage loan was paid off in full on July 15, 2010. Interest expense was $267,855 for the year ended August 31, 2010 and is reflected in NEA's program services expenses in the consolidated statements of activities and changes in net assets.

7. COMMITMENTS AND CONTINGENCIES

NEA and MBC lease office space and personal property at a number of locations under noncancelable operating leases expiring through 2014. Future minimum lease payments under these leases are as follows:

Year Ending August 31	
2012	$ 160,091
2013	70,336
2014	14,338
Total future minimum lease payments	$ 244,765

Rental expense for all operating leases was approximately $196,000 and $200,000 during 2011 and 2010, respectively.

NEA has been named as a party in several legal matters, the outcome of which cannot presently be determined. In the opinion of management an appropriate provision has been made to account for probably losses and the ultimate resolution of these matters will not have an impact on NEA's consolidated financial position or changes in net assets and cash flows.

The Internal Revenue Service ("IRS") examined NEA's income tax returns for the years 2000 through 2010 and proposed adjustments for those years. NEA

appealed the proposed adjustments and while it believes the related tax returns are in accordance with prevailing tax rulings it has established a provision of $4,000,000 to cover any obligations that might arise from the unresolved issues.

8. BANK LINE OF CREDIT

NEA had a line of credit from a commercial bank at an interest rate of LIBOR (London Interbank Offered Rate) plus 1.50%. At August 31, 2009, the prevailing rate was 1.76%. On October 8, 2009, NEA increased its operating line of credit from $10,000,000 to $20,000,000. This line of credit expired on February 28, 2010. On September 15, 2010 NEA initiated a new line of credit for $30,000,000. This line of credit expired on February 28, 2011.

9. RETIREMENT BENEFITS

NEA - Defined Benefit Plan—NEA participates in a multiemployer, defined benefit retirement plan which was noncontributory for NEA employees and covers substantially all permanent employees. On June 1, 2009, the plan was amended to require employee contributions at a rate of 3.5% for employees employed by NEA on or after June 9, 2009. NEA employs approximately 45.3% of the employees covered under the plan; the remaining 54.7% are employees of participating state and local affiliates of NEA. NEA's policy is to fund retirement costs as accrued.

NEA's retirement contribution expenses for the years ended August 31, 2011 and 2010, respectively, were $25,109,643 and $25,648,677. The accumulated plan benefits and plan net assets available for benefits as of the date of the latest actuarial valuation are presented below:

	January 1,	
	2011	2010
Actuarial present value of accumulated plan benefits:		
Total vested benefits	$613,649,407	$567,208,175
Total nonvested benefits	31,096,215	32,453,856
Total accumulated plan benefits	$644,745,622	$599,662,031
Net assets available for benefits	$556,340,336	$486,957,182

The increase in the actuarial present value of accumulated plan benefits reflects interest earned on benefits.

The actuarial present value of accumulated plan benefits ignores the effects of future compensation increases on the benefits that participants will receive for their past service. If this value were adjusted for projected salary increases, consistent with the assumed rate of return, the projected benefits obligation would be $697,844,057 and $651,397,413 as of January 1, 2011 and 2010, respectively. The assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 7.40% and 7.60% for January 1, 2011 and 2010, respectively. As of August 31, 2011 and 2010, the net assets available for benefits were $554,520,664 and $492,664,525, respectively.

NEA - 401(k) Retirement Savings Plan—NEA's employees are also eligible to participate in the

401(k) Retirement Savings Plan of the National Education Association (the "Plan") in which the employee can make voluntary, tax-deferred contributions within specified limits. The Plan was established under the provisions of Internal Revenue Code Subsection 401 (k) and has received a favorable determination as to its tax status. NEA's contributions to the Plan, based on a set percentage of employee contributions, amounted to $2,425,300 and $2,523,356 for the years ended August 31, 2011 and 2010, respectively.

NEA — Postretirement Benefit Plan—In addition to providing pension benefits, NEA provides certain healthcare and life insurance benefits to retirees. Prior to March 1, 2000, NEA provided these benefits under a single employer defined postretirement plan.

Effective March 1, 2000, NEA established and adopted the National Education Association and Affiliate Retiree Health Plan (the "Plan") and Trust (the "Trust") for the purpose of providing certain healthcare and life insurance benefits to eligible and retired employees of NEA and to participating affiliates. The plan is a multiemployer postretirement benefits plan. The Internal Revenue Service has approved the Plan and the Trust.

As a result of the adoption of the multiemployer plan, the Trust assumed the responsibility for the payment of benefits and all future obligations under the Plan. NEA's liability under the single employer plan as of March 1, 2000, which amounted to $29,427,901 was recognized as a nonoperating charge in NEA's consolidated statement of activities and changes in net assets. As of August 31, 2011 and 2010, NEA net assets

of $15,534,910 and $26,293,743, respectively were designated for postretirement benefit obligation.

Postretirement benefit expense under the multiemployer plan was $10.457.000 and $6.944,507 for the years ended August 31, 2011 and 2010, respectively.

A discount rate of 7.75% was used to determine the postretirement benefit expense for the years ended August 31, 2011 and 2010.

MBC- 40](k) Salary Deferral Plan—NEA's Member Benefits Corporation ("MBC") maintains a Section 401(k) cash or deferred plan in which the employees can make voluntary, tax-deferred contributions within specific limits. The Plan was established under the provision of the Internal Revenue Code Subsection 401(k), and has received a favorable determination as to its tax status. MBC's contributions to the Plan, based upon a set percentage of employee contributions, amounted to $270,298 and $267,928, for the years ended August 31, 2011 and 2010, respectively.

MBC-Defined Contribution Plan—MBC maintains a Defined Contribution Plan and Trust, which is noncontributory for MBC's employees, and covers substantially all members of the NEA Staff Organization ("NEASO") Collective Bargaining Unit. MBC contributes to the Plan a percentage of compensation as set forth in a collective bargaining agreement with NEASO. MBC's contributions to the Plan during the years ended August 31, 2011 and 2010 were $667,648 and $469,688, respectively.

MBC—Defined Benefit Plan—MBC maintains a noncontributory defined benefit pension plan covering substantially all employees not covered by a col-

lective bargaining agreement. MBC has an August 31 measurement date for its pension plan.

Benefit obligations, plan assets, and the funded status of the Plan at August 31 were as follows:

	2011	2010
Benefit obligations	$ 12.524.639	$ 11.707.369
Fair value of plan assets	$ 20,831.561	$ 16.029.856
Funded status of the plan	$ 8,306,922	$ 4.322.487
Contributions to the Plan and Benefits paid for the year ended August 31 were:		
Employer Contributions	$ 3,157,000	$ 889,413
Benefits paid	$ 143,612	$ 69.643
Amounts recognized in the Statement of Financial		
Position consist of:		
Noncurrent assets	$ 8.306,922	$ 4.322.487
Current liabilities	-	
Noncurrent liabilities		
	$ 8.306.922	4.322.487
Amounts recognized in Other Non-Operating		

Expense consist of:		
Net actuarial loss	$ 4,414,002	$ 6,085,143
Prior service cost	637,630	870,825
Unrecognized net initial obligation		
Total (before tax effects)	$ 5,051,632	$ 6,955,968

The accumulated benefit obligation is $10,824,210 and $9,747,643 at August 31, 2011 and 2010, respectively.

Net periodic benefit cost is $1,076,901 and $1,098,494 for the years ended August 31, 2011 and 2010, respectively.

	2011	2010
Other changes in Plan Assets and Benefit Obligations recognized in Other Non-Operating Expense		
Net (gain)/loss	(1,063,803)	$1,069,686
Prior service cost		-
Amortization of net gain	(607,338)	(558,105)
Amortization of prior service cost	(233,195)	(233,195)
Total recognized in other comprehensive income	(1,904,336)	$278,386
Total recognized in net periodic benefit cost and other comprehensive income	$(827,435)	$1,376,880

Amount expected to be recognized in Net Periodic Costincomingyear	**2012**	
Gain/Loss recognition	335,857	
Prior service cost recognition	233,195	

Weighted-average assumptions used to determine benefit obligations at August 31 were as follows:

	2011	2010
Discount rate	5.25%	5.00%
Rate of salary increases	4.00%	4.00%

Weighted-average assumptions used to determine net periodic benefit cost for the years ended August 31 were as follows:

	2011	2010
Discount rate	5.00%	6.00%
Rate of salary increases	4.00%	4.50%
Expected long-term rate of return on assets	8.00%	8.00%

MBC determines the long-term expected rate of return on plan assets by examining historic capital market returns, correlations between asset classes and the Plan's normal asset allocation. Current and near-term market factors such as inflation and interest rates are then evaluated to arrive at the expected return on Plan assets. Peer group, or benchmarking data are also reviewed to ensure a reasonable and appropriate return assumption.

MBC utilizes a total return investment approach based on modem portfolio theory. Multiple asset classes are implemented in order to obtain the benefits of diversification and maximize long-term total return for a given level of risk. Risk tolerance is developed by reviewing the funded status of the plan, duration of the plan liabilities, the income and liquidity re-

quirements, legal constraints, and the financial condition of MBC. The investment portfolio is comprised of a diversified combination of equities, fixed income securities, and cash equivalents. MBC's investment policy states that the target allocations for plan assets are 70 percent equity securities, 28 percent fixed income securities, and 2 percent cash equivalents. The allocation among equities and fixed income securities is determined by prevailing market conditions and relative valuations between asset classes. The Plan's financial condition is monitored on an ongoing basis by means of quarterly investment portfolio reviews, an annual independent actuarial valuation, and periodic asset/liability studies.

Pension plan allocations at August 31 were as follows:

	2011	2010
Equities	73%	70%
Fixed Income Securities	25%	28%
Cash Equivalents	2%	2%
Total	100%	100%

The fair value of MBC's pension plan assets at August 31, 2011 by asset class are as follows:

	Fair Value Measurements at Reporting Date Using			
Asset Class	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	$ 411,996	$ -	$ -	$ 411,996
Equity securities:				
U.S. large-cap	5,733,826	-	-	5,733,826
U.S. mid-cap	1,728,291	-	-	1,728,291
U.S. small-cap	1,626,260	-	-	1,626,260
REIT	923,770	-	-	923,770
Global equity	478,229	-	-	478,229
International	1,830,870	-	-	1,830,870
Emerging markets	592,524	-	-	592,524
Other investment funds				
Equity long/short (a)	543,938	-	-	543,938
Equity market neutral (b)	582,940	-	-	582,940

	Fair Value Measurements at Reporting Date Using			
Asset Class	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Multi-strategy mutual fund (c)	956,108	-	-	956,108
Managed futures (d)	293,028	-	-	293,028
Fixed income securities				
U.S. fixed income	2,917,540	-	-	2,917,540
International fixed income	2,212,241	-	-	2,212,241
	$ 20,831,561	$ -	$ -	$ 20,831,561

(a) This separately managed account class includes funds that by prospectus, has the ability to take both long and short positions within the portfolio. The primary investment vehicle is Exchange Traded Funds (ETFs). The manager of this fund has the ability to rotate investments between various equity styles: Value, growth and blended; as well as multiple market capitalizations: Large Cap, Mid Cap & Small Cap.

(b) This mutual fund class includes funds that invest in strategies that match long and short positions in different US Common Stocks. The managers also employ other strategies, such as merger arbitrage.

(c) This mutual fund class invests in multiple strategies, across multiple asset classes, including but not limited to: global equities, global fixed income, REITS, and commodities, in an effort to diversity risks and reduce volatility.

(d) This mutual fund class includes funds that invest in energy, agriculture, and currency markets (among others) using futures contracts.

The fair value of MBC's pension plan assets at August 31, 2010 by asset class are as follows:

	Fair Value Measurements at Reporting Date Using			
Asset Class	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Cash and cash equivalents	$ 291,194	$ -	$ -	$ 291,194
Equity securities:				

	Fair Value Measurements at Reporting Date Using			
Asset Class	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
U.S. large-cap	3,398,495	-	-	3,398,495
U.S. mid-cap	847,650	-	-	847,650
U.S. small-cap	1,248,681	-	-	1,248,681
REIT	546,596	-	-	546,596
Global equity	394,414	-	-	394,414
International	2,090,638	-	-	2,090,638
Emerging markets	556,100	-	-	556,100
Other investment funds				
Equity long/short (a)	489,488	-	-	489,488
Equity market neutral (b)	553,367	-	-	553,367
Multi-strategy mutual fund (c)	787,632	-	-	787,632
Managed futures (d)	278,592	-	-	278,592
Fixed income securities				

	Fair Value Measurements at Reporting Date Using			
Asset Class	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
U.S. fixed income	2,971,009	-	-	2,971,009
International fixed income	1,576,000	-	-	1,576,000
	$ 16,029,856	$ -	$ -	$16,029,856

(a) This separately managed account class includes funds that by prospectus, has the ability to take both long and short positions within the portfolio. The primary investment vehicle is Exchange Traded Funds (ETFs). The manager of this fund has the ability to rotate investments between various equity styles: Value, growth and blended; as well as multiple market capitalizations: Large Cap, Mid Cap & Small Cap.

(b) This mutual fund class includes funds that invest in strategies that match long and short positions in different US Common Stocks. The managers also employ other strategies, such as merger arbitrage.

(c) This mutual fund class invests in multiple strategies, across multiple asset classes, including but not limited to: global equities, global fixed income, REITS, and commodities, in an effort to diversify risks and reduce volatility.

(d) This mutual fund class includes funds that invest in energy, agriculture, and currency markets (among others) using futures contracts.

The following estimates and assumptions were used to determine the fair value of each class of financial instruments listed above.

- *Cash Equivalents* Cash equivalents include cash deposits in investment funds, money market funds, and short-term U.S. Treasury securities, which are actively traded. Cash equivalents are priced using independent market prices in the primary trading market, and are classified as Level I based on the availability of quotes for identical assets.
- *Equity Securities* Equity investments include stocks, separately held accounts, and mutual funds. These assets, which are grouped by investment objective, consist of publicly traded securities, diversified globally, and are classified as Level 1.
- *Fixed Income Securities* These assets include mutual funds with fixed income portfolios. These assets are valued using market prices, such as broker quotes, for the same instruments; as these securities typically trade in active markets, they are categorized as Level 1.

For fiscal year 2012, MBC expects to contribute the maximum deductible amount to its pension plan as determined by the January 1, 2012, actuarial valuation.

Benefit payments expected to be paid over the next five years and accumulated over the five years thereafter are as follows as of August 31:

2012	$ 221.199
2013	$ 318.108
2014	$ 402.187
2015	$ 491.592
2016	$ 580.549
2017-2021	$ 4.225.822

MBC–Deferred Retirement Benefit—MBC has recognized a noncurrent liability representing a deferred retirement benefit for a former officer that was due in 2007 and will be paid over a five-year period ending April 2012.

10. NATIONAL EDUCATION EMPLOYEES ASSISTANCE FUND, INC.

The National Education Employees Assistance Fund, Inc. ("NEEAF") is a nonprofit corporation established for the purpose of providing financial and other assistance to member organizations and their individual members involved in disputes over terms and conditions of employment. In this capacity, NEEAF, from time to time, has guaranteed loans made by lending institutions to members who were involved in such disputes. These loans are collateralized by letters of credit from those state affiliates that are members of NEEAF. NEA commits the unrestricted resources of the General Operating Fund to fulfill its obligation. NEA's commitment and the state affiliate's line of credit is approximately $6,951,738. In the event of default on a loan, the bylaws of NEEAF provide that the bank shall first draw upon the letter of credit of the state affiliate from which the funds were transmitted and, thereafter, proportionately from all other letters of credit and/or lines of credit.

As of August 31, 2011 and 2010, NEA was contingently liable in the event of default for $6,457 and $6,613, respectively.

11. THE NEA FOUNDATION FOR THE IMPROVEMENT OF EDUCATION

The NEA Foundation for the Improvement of Education ("NFIE") was created in 1969 by NEA as a tax-exempt public charity to improve the quality of public education in the United States. The NFIE has a separate Board of Directors and operates independently of NEA. Accordingly, the accompanying financial statements do not include the activities of NFIE.

The NFIE empowers public education employees to innovate, take risks, and become agents for change to improve teaching and learning in our society.

During the years ended August 31, 2011 and 2010, payments totaling $2,052,120 and $2,118,202, respectively, were made to NFIE for an endowment that will help fund programs to meet critical needs of students and education employees in years to come. Such amounts are reflected as reductions in "NEA Programs—Dues" (see page 3) in the Consolidated Statements of Activities and Changes in Net Assets for the years ended August 31, 2011 and 2010.

12. NEA HEALTH INFORMATION NETWORK

The NEA Health Information Network ("NEA-HIN"), a legally separate 501(c)(3) not-for-profit organization, was created in 1987 to provide a link between the education and health professions to assure that public school employees and their students have the knowledge and skills necessary to make decisions that enhance the quality of their lives, improve the

environment in which they work and learn, and build relationships within the communities they serve.

NEA-HIN manages and implements programs that provide training, technical assistance, information. and referrals for NEA members and staff on a variety of health and safety issues affecting school employees and students. NEA-HIN secures funds from public and private sources to implement these programs.

NEA-HIN establishes collaborative partnerships with other public and private entities to enhance the content and scope of its activities and to bring the education employee/student perspective into the planning and development process of relevant health initiatives at the national, state, and local levels.

NEA's appropriations for NEA-HIN for each of the years ended August 31, 2011 and 2010 were $600,000 and $650,000, respectively.

13. NEA MEMBERS INSURANCE TRUST

The National Education Association Members Insurance Trust ("NEA-MIT") was organized to provide certain employee welfare benefits to NEA members and their dependents, pursuant to the NEA Members Insurance Plan.

NEA is the sponsor and administrator of the welfare plans that NEA-MIT provides. NEA may appoint and remove the trustees of NEA-MIT. NEA-MIT maintains an agreement with MBC to provide administrati..ve and promotional services for the programs.

NEA and NEA-MIT have an agreement whereby NEA provides systems administration. maintenance. software development and facilities management in

the amount of $871.113 and $890,556 for the years ended August 31, 2011 and 2010. respectively.

14. INCOME TAXES

Under provisions of Section 501(c) of the Internal Revenue Code and the applicable income tax regulations of the District of Columbia, NEA is exempt from taxes on income, other than taxes on unrelated business income.

MBC follows the liability method of accounting for income taxes as required by the FASB Accounting Standards Income Taxes. Income tax expense is recognized based on the amount of income taxes currently payable or refundable plus the net change during the year in the deferred tax liability or asset. The current or deferred tax consequences of all events that have been recognized in the financial statements are measured based on provisions of enacted lax law.

The provision for Federal and State income taxes is included in MBC's support service expenses on the consolidated statements of activities and changes in net assets and consists of the following:

	2011	2010
Current Provision		
Federal	$1,129,791	$1,192,777
State	142,845	137,523
	1,272,636	1,330,300
Deferred Provision		
Federal	698,537	(59,426)
State	111,338	(6,986)
	809,875	(66,412)

Total	$2.082,511	$1.263,888

A reconciliation of income taxes at the statutory rate to the provision for income taxes in the financial statements is as follows:

	2011	2010
Federal income tax provision at the statutory rate	$1.828,328	$1.133,351
State income tax expense, net of federal benefit	254.183	130,537
Total	$2.082,511	$1.263,888

At August 31, 2011 and 2010, the deferred tax assets and liabilities represent the tax effects of the following temporary differences:

	2011	2010
Assets:		
Deferred income	$ 521,597	$ 659.124
Accrued vacation	287,925	292.468
Bad debt	162,828	-
State taxes	150,983	113,128
Other	33,450	78,527
Gross deferred tax assets	1,156.783	1,143.247
Liabilities		
Pension costs	(3,165,140)	(1,635,748)
Other	(40,258)	(38,705)
Gross deferred tax liabilities	(3,205,398)	(1,674,453)
Total	$ (2,048.615)	$ (531,206)

Amounts recognized in the consolidated statements of financial positions at August 31:

	2011	2010
Current deferred tax asset	$ 321,375	$ 309,733
Current deferred tax liability	(40,258)	(38,705)
	281,117	271,028
Noncurrent deferred tax asset	835,408	833,514
Noncurrent deferred tax liability	(3,165,140)	(1,635,748)
	(2,329,732)	(802,234)
Total	$ (2,048,615)	$ (531,206)

During the fiscal year ended August 31, 2010, MBC adopted new recognition and measurement provisions for uncertain tax positions. For tax benefits to be recognized under this model, the tax position related to the benefit must be more likely than not to be sustained upon examination by the taxing authorities. MBC evaluated its tax positions and has determined that it does not have any uncertain tax positions. Accordingly, it does not recognize a liability for income taxes associated with unrecognized tax benefits in its financial statements for the year ended August 31, 2011. At August 31, 2011, tax years 2007 through 2010 remain open to examination under the statute of limitations.

15. OTHER NON-OPERATING EXPENSE

The tax effects allocated to each component of Other Non-Operating Expense for the year ended August 31, 2011 are:

	Before-Tax Amount	Tax (Expense) or Benefit	Net-of-tax Amount
Defined Benefit Pension Plan:			
Net gain arising during period	$ 1,063,803	$ (395,244)	$ 668,559
Less: amortization of net gain included in net periodic pension cost	607,338	(225,650)	381,688
Less: amortization or prior service cost included in net periodic pension cost	233,195	(86,641)	146,554
Gain (loss) from Defined Benefit Pension Plan	1,904,336	(707,535)	1,196,801
Less: unrealized loss from investments	(15,045)	-	(15,045)
Other Non-Operating Expense	$ 1,889,291	$ (707,535)	$ 1,181,756

16. FAIR VALUE MEASUREMENTS

Accounting standards for fair value measurements defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measurements. Accounting standards for fair value measurements defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. That framework provides a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the hierarchy are as follows:

- ***Level 1*** Observable inputs such as quoted prices for identical assets or liabilities in active markets;
- ***Level 2*** Inputs other than the quoted prices in active markets that are observable, either directly or indirectly such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable or inputs that are derived principally from or corroborated by observable market data by correlation or other means; and
- ***Level 3*** Unobservable inputs in which there is little or no market data, which requires management to develop its own assumptions.

The asset's or liability's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to their fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation techniques used for assets measured at fair value:

- *Money market funds* Valued at cost, which approximates fair value. Valuation is from an unadjusted quoted price;
- *Repurchase agreements* Valued at cost, which approximates fair value. Valuation is not obtained from a quoted price in an active market;
- *Corporate stocks/exchange traded funds* - Valued at the closing price reported in an active market in which the securities are traded; and
- *Mutual funds-equity and fixed income securities* - Valued at the net asset value ("NAV") of shares held and is calculated at the end of each business day;

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while NEA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents NEA's fair value hierarchy for financial assets measured on a recurring basis at August 31, 2011:

	Fair Value Measurements at Reporting Date Using			
Asset Class	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money Market Funds	$ 5,559,795	$ -	$ -	$ 5,559,795
Repurchase Agreements	-	12,367,168	-	12,367,168
Exchange Traded Funds	-	-	-	-
Mutual Funds – Equity securities				
Growth funds	4,469,089	-	-	4,469,089
Value funds	4,472,521	-	-	4,472,521
Blend fund	2,829,590	-	-	2,829,590
Mutual Funds – Fixed income securities				
U.S. fixed income fund	16,416,809	-	-	16,416,809
International fixed income fund	1,531,135	-	-	1,531,135

	Fair Value Measurements at Reporting Date Using			
Asset Class	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	$ 35,278,939	$ 12,367,168	$ -	$47,646,107

The following table presents NEA's fair value hierarchy for financial assets measured on a recurring basis at August 31, 2010:

	Fair Value Measurements at Reporting Date Using			
Asset Class	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money Market Funds	$ 10,157,896	$ -	$ -	$ 10,157,896
Repurchase Agreements	-	17,279,738	-	17,279,738
Corporate Stocks				
Energy	553,030	-	-	553,030

	Fair Value Measurements at Reporting Date Using			
Asset Class	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Industrial	633,901	-	-	633,901
Consumer	1,102,515	-	-	1,102,515
Health care	731,891	-	-	731,891
Financials	798,956	-	-	798,956
Information technology	824,046	-	-	824,046
Other	842,706	-	-	842,706
Exchange Traded Funds	1,509,186	-	-	1,509,186
Mutual Funds – Equity securities				
Growth funds	2,526,338	-	-	2,526,338
Value funds	763,220	-	-	763,220
Blend fund	892,590	-	-	892,590
Mutual Funds – Fixed income securities				

	Fair Value Measurements at Reporting Date Using			
Asset Class	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
U.S. fixed income fund	8,829,362	-	-	8,829,362
	$ 30,165,637	$ 17,279,738	$ -	$ 47,445,375

17. SUBSEQUENT EVENTS

Management has performed a subsequent event review from September 1, 2011 to November 28, 2011, being the date that the consolidated financial statements were available to be issued.

On September 28, 2011, the United States Tax Court issued its ruling in the matter of the National Education Association of the United States v. Commissioner of Internal Revenue. At issue in the case is whether membership in the NEA conveyed the "legal right to receive" the published magazine as held by the Commissioner. The Tax Court in its departure from the Commissioner's reasoning held that NEA's members have the "legal right to receive" the published magazine. The Tax Court's ruling affirmed the Commissioner's assessments for the tax years at issue. The Tax Court's ruling takes effect ninety days after filed. In the interim, NEA increased its recorded tax reserve at August 31, 2011 to an amount sufficient to cover the total assessment as it considers its appeal options.

On October 5, 2011, NEA initiated a new line of credit for $30,000,000 with Bank of America for normal operating purposes with an interest rate of LIBOR (London Interbank Offered Rate) plus 1.50%. This new line of credit will expire January 31, 2012.

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NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES

SUPPLEMENTAL SUMMARY SCHEDULE OF AGENCY FEE CHARGEABLE AND NONCHARGEABLE EXPENDITURES
YEAR ENDED AUGUST 31, 2011

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
EXPENSES BY STRATEGIC GOALS AND CORE SERVICE AREAS			
Tax and economic policies and school funding ("TEF")			
1. Provide research and technical assistance to all state affiliates on TEF issues	-	2,226,918	2,226,918
2. Provide research and technical assistance to state affiliates to build tax and economic infrastructures for adequate and equitable funding	-	310,650	310,650

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
EXPENSES BY STRATEGIC GOALS AND CORE SERVICE AREAS			
3. Provide assistance to affiliates for implementing TEF-conscious advocacy, message development, and dissemination of TEF information	-	403,226	403,226
Total tax and economic policies and school funding ("TEF")	-	2,940,794	2,940,794
Improved education members' salaries			
1. Provide technical and financial support to affiliates engaged in or preparing to engage in comprehensive salary campaigns	1,272,396	401,355	1,673,751
2. Position NEA to be the national voice for the improvement of education employees' salaries	1,500	48,007	49,507

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
EXPENSES BY STRATEGIC GOALS AND CORE SERVICE AREAS			
3. Collect, store, analyze, and report information that support NEA national and state affiliate salary campaigns	743,599	30,350	773,949
4. Provide training to support the work of NEA and its affiliates to effectively advocate for professional pay for all members	48,661	358,822	407,483
Total improved education members' salaries	2,066,156	838,534	2,904,690
Making priority schools great public schools for all students			
1. Provide technical assistance, training and resources to state and local affiliates to help them identify and support targeted priority schools	2,646,377	645,118	3,291,495

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
EXPENSES BY STRATEGIC GOALS AND CORE SERVICE AREAS			
2. Engage affiliates and members to support local efforts to transform priority schools while raising the awareness of the Priority Schools Campaign	425,283	579,947	1,005,230
3. Communicate with members, partners, and the public to call attention to the urgency of, common issues and best practices for, transforming priority schools	14,481	1,335,944	1,350,425
Total making priority schools great public schools for all students	3,086,141	2,561,009	5,647,150
Student learning and workforce quality			

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
EXPENSES BY STRATEGIC GOALS AND CORE SERVICE AREAS			
1. Support Association effort to advocate for enhanced student learning and workforce quality and the advancement of NEA supported pro-public education and social justice policies	213,475	763,389	976,864
2. Provide resources to assist affiliates build capacity to support their initiatives designed to advance pro-public education policies for student learning and workforce quality	2,318,744	212,920	2,531,664
3. Partner with affiliates and others to support workforce quality designed to improved student achievement and increased graduation rates.	268,565	110,186	378,751

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
EXPENSES BY STRATEGIC GOALS AND CORE SERVICE AREAS			
4. Provide support, research and information to staff, members, and affiliates that improve workforce quality through improved working conditions and benefits, advocacy rights, and professional development products	35,152,943	13,750,442	48,903,385
Total student learning and workforce quality	37,953,727	14,836,937	52,790,664
Affiliate program and services that increase membership			
1. Build affiliate capacity for membership growth through project funding and consistency group assistance	65,582,853	15,259,344	80,842,197
2. Develop and administer state affiliates' cooperative agreements and provide funding for the implementation of state and regional financial assistance	1,296,052	432,017	1,728,069

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
EXPENSES BY STRATEGIC GOALS AND CORE SERVICE AREAS			
3. Create and align all NEA infrastructures to support membership growth, with special attention to UniServ, research, and technology	399,220	368,585	767,805
4. Collaborate with affiliates to increase membership in existing and new markets	20,467	8,349,245	8,369,712
Total affiliate programs and services that increase membership	67,298,592	24,409,191	91,707,783
Advocate and communicate for public education			

See notes to supplemental summary schedule of agency fee chargeable and nonchargeable expenditures.

(Continued)

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES

SUPPLEMENTAL SUMMARY SCHEDULE OF AGENCY FEE CHARGEABLE AND NONCHARGEABLE EXPENDITURES
YEAR ENDED AUGUST 31, 2011

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Advocate and communicate for public education			
1. Increase member support of pro-education candidates and increase public communications and advocacy for association political and legislative programs	-	26,110,033	26,110,033
2. Increase pro-public education advocacy and develop relationships with the federal government to advance NEA's pro-public education agenda	-	12,347,623	12,347,623

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
3. Communicate the NEA beliefs, qualities, and services to engage members and improve target audiences' recognition of NEA through print and electronic media	2,606,768	16,891,501	19,498,269
4. Increase the capacity of NEA governance, members, and staff to advocate for all members through a greater use of campaign tools and resources and partner with affiliates to increase PAC participation	130,849	2,724,409	2,855,258
Total advocate and communicate for public education	2,737,617	58,073,566	60,811,183
Develop and sustain strategic partnerships			
1. Advance NEA's mission, vision, goals and core values with Education	-	5,083,348	5,083,348

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
2. Engage national, state, and local partners to support effective transformation of priority schools and provide assistance to locals for partnership development	17,382	134,427	151,809
3. Assist state affiliates in identifying partners and provide resources to strengthen coalitions and mobilize public and policy support for TEF	-	176,802	176,802
4. Partner with business and nonprofit leaders to support the Salary Campaign	-	66,991	66,991
5. Partner with organizations to inform and advance NEA's workforce quality agenda and promote healthy teaching and learning environments	888,868	253,591	1,142,459

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
6. Develop partnerships that advance and achieve NEA's federal and regulatory policy priorities including funding to implement these priorities	-	133,318	133,318
7 Partner with ethnic minority, civil rights, and other organizations to advance NEA's commitment to social justice	93,536	160,882	254,418
8. Partner with business community and other organizations to ensure that public schools receive the resources required to prepare students for success in the 21st century	-	98,527	98,527
9. Develop national partnerships that support state affiliates in building and maintaining their capacity to achieve NEA priority policy goals at the state level	-	184,450	184,450

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
10. Develop national partnerships that result in increased support for union membership, the recruitment and retention of NEA members, and minimized inter-union competition	-	76,624	76,624
11. Develop, sustain, and leverage strategic alliances to advance NEA's core values and strategic priorities around partnerships	-	3,869,146	3,869,146
Total develop and sustain strategic partnerships	999,786	10,238,106	11,237,892
Business and governance operations			
1. Provide business systems, legal and financial expertise to NEA and affiliates	10,505,848	9,855,496	20,361,344
2. Manage employee benefits and services, labor relations, and workforce costs	5,106,893	-	5,106,893

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
3. Provide departmental infrastructure and business intelligence systems that align with NEA's strategic goals and core services	16,471,914	17,404,243	33,876,157
4. Sustain NEA as a high-performance learning organization and archive its records for current and future generations	1,513,370	7,945,410	9,458,780
5. Provide technologies for strategic, tactical, and daily operations	9,916,817	10,530,228	20,447,045
6. Provide facility management, operational support, and meeting logistics	16,366,082	-	16,366,082
7. Provide administrative and financial support to the national councils and constituency groups	-	597,901	597,901
8. Provide support to governance and the NEA policy making process	8,063,363	1,656,933	9,720,296

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
9. Provide members professional development and leadership training	5,154,709	3,190,906	8,345,615
Total business and governance operations	73,098,996	51,181,117	124,280,113
TOTAL EXPENDITURES	187,241,015	165,079,254	352,320,269
			(concluded)

See notes to supplemental summary schedule of agency fee chargeable and nonchargeable expenditures.

(Concluded)

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES
SUPPLEMENTAL SUMMARY SCHEDULE OF AGENCY FEE CHARGEABLE AND NONCHARGEABLE EXPENDITURES
YEAR ENDED AUGUST 31, 2011

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
EXPENSES BY STRATEGIC GOALS AND CORE SERVICE AREAS			
1. Tax and economic policies and school funding ("TEF")			
1.1 Provide research on tax and economic policies and education funding	-	1,241,872	1,241,872
1.2 Provide technical support on tax, economic policies, and school funding	-	985,046	985,046
Total provide research and technical assistance to all state affiliates on TEF issues	-	2,226,918	2,226,918

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
2. Provide research on technical assistance to state affiliates to build tax and economic infrastructures for adequate and equitable funding			
2.1 Provide TEF research and technical assistance for achieving adequate, equitable and stable funding for public education	-	310,650	310,650
Total provide research and technical assistance to state affiliates to build tax and economic infrastructures for adequate and equitable funding	-	310,650	310,650
3. Provide assistance to affiliates for implementing TEF-conscious advocacy, message development, and dissemination of TEF information			

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
3.1 Provide research and technical assistance for implementing TEF	-	8,800	8,800
3.2 Provide research and technical assistance to state affiliates to promote TEF-conscious advocacy	-	394,083	394,083
3.3 Create cross-platform media that mobilizes targeted audiences around funding campaigns	-	343	343
Total provide assistance to affiliates for implementing TEF-conscious advocacy, message development, and dissemination of TEF information	-	403,226	403,226
			(continued)

See notes to supplemental summary schedule of agency fee chargeable and nonchargeable expenditures.

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES
SUPPLEMENTAL SUMMARY SCHEDULE OF AGENCY FEE CHARGEABLE AND NONCHARGEABLE EXPENDITURES
YEAR ENDED AUGUST 31, 2011

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Improved education members' salaries			
1. Provide technical and financial support of affiliates engaged in or preparing to engage in comprehensive salary campaigns			
1.1 Provide technical assistance and financial support to affiliates engaged in comprehensive salary campaigns	959,321	299,543	1,258,864

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
1.2 Provide technical and financial assistance to state affiliates working toward a comprehensive salary campaigns	313,075	101,812	414,887
Total provide technical and financial support to affiliates engaged in or preparing to engage in comprehensive salary campaigns	1,272,396	401,355	1,673,751
2. Position NEA to the national voice for the improvement of education employees' salaries			
2.1 Position NEA to be the national voice for the improvement of education employees' salaries	1,500	48,007	49,507
Total position NEA to be the national voice for the improvement of education employees' salaries	1,500	48,007	49,507

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
3. Collect, store, analyze, and report information that supports NEA national and state affiliate salary campaigns			
3.1 Collect, store, analyze, and report data that supports NEA national and state affiliate salary campaigns	743,599	30,350	773,949
Total collect, store, analyze, and report information that supports NEA national and state affiliate salary campaigns	743,599	30,350	773,949
4. Provide training to support to the work of NEA and its affiliates to effectively advocate for professional pay for all members			
4.1 Provide the training necessary to support the work of NEA and its affiliates in moving the sala-	48,661	358,822	407,483

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
ry campaigns			
Total provide training to support the work of NEA and its affiliates to effectively advocate for professional pay for all members	48,661	358,822	407,483
			(continued)

See notes to supplemental summary schedule of agency fee chargeable and nonchargeable expenditures.

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES

SUPPLEMENTAL SUMMARY SCHEDULE OF AGENCY FEE CHARGEABLE AND NONCHARGEABLE EXPENDITURES
YEAR ENDED AUGUST 31, 2011

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Making priority schools great public schools for all students			
1. Provide technical assistance, training, and resources to state and local affiliates to help them identify and support targeted priority schools			
1.1 Assess need and broker resources to support transformation of targeted priority schools by state and local affiliates	586,789	214,733	801,522

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
1.2 Build capacity in targeted affiliates through professional development for state leaders and staff and provide resources and technical assistance	1,801,474	427,970	2,229,444
1.3 Support school change in targeted priority schools by providing policy support and technical assistance utilizing Great Public Schools criteria	247,440	2,415	249,855
1.4 Utilize the whole education workforce to support and advocate for improved learning and working conditions in targeted priority schools	10,674	-	10,674

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total provide technical assistance, training and resources to state and local affiliates to help the identify and support targeted priority schools	2,646,377	645,118	3,291,495
2. Engage affiliates and members to support efforts to transform priority schools while raising the awareness of the Priority Schools Campaign			
2.1 Establish public engagement and family schools partnerships in support of targeted priority schools	153,926	361	154,287
2.2 Identify, inform and engage leaders and partners within the ethnic minority communities in support of efforts to transform targeted priority schools	271,357	579,586	850,943

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total engage affiliates and members to support local efforts to transform priority schools while raising the awareness of the Priority Schools Campaign	425,283	579,947	1,005,230
3. Communicate with members, partners, and the public to call attention to the urgency of, common issues and best practices for, transforming priority schools			
3.1 Provide earned media, paid media, outreach, and other public relations initiatives in support of targeted priority schools	-	1,122,911	1,122,911
3.2 Create a media program that establishes and advances the central messaging components to targeted audiences	3,150	211,068	214,218

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
3.3 Raise awareness of NEA's Priority Schools Campaign with elected and appointed officials to build support for the Priority Schools Campaign	-	1,965	1,965
3.4 Provide targeted affiliates technical support to win contract language necessary to support the Priority Schools Campaign	11,331	-	11,331
Total communicate with members, partners, and the public to call attention to the urgency of, common issues and best practices for, transforming priority schools	14,481	1,335,944	1,350,425
			(continued)

See notes to supplemental summary schedule of agency fee chargeable and nonchargeable expenditures.

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES
SUPPLEMENTAL SUMMARY SCHEDULE OF AGENCY FEE CHARGEABLE AND NONCHARGEABLE EXPENDITURES
YEAR ENDED AUGUST 31, 2011

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Student learning & workforce quality			
1. Support effort to advocate for enhanced student learning and workforce quality and advancement of NEA supported pro-public education and social justice policies			
1.1 Provide research-based information that supports Association efforts to advocate for quality education workforce that serves the whole student	213,475	-	213,475
1.2 Advance federal legislation and regulations that promote policies and practices to enhance student learning and workforce quality	-	373,783	373,783

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
1.3 Advance non-federal, NEA supported, pro-public education and social justice policies to enhance student learning and workforce quality	-	389,606	389,606
Total support Association effort to advocate for enhanced student learning and workforce quality and the advancement to NEA supported pro-public education and social justice policies	213,475	763,389	976,864
2. Provide resources to assist affiliates build capacity to support their initiatives designed to advance pro-public education policies for student learning and workforce quality			
2.1 Grants and technical resources to develop ethnic minority leaders and improve staff skills regarding ethnic minority issues	133,563	-	133,563

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
2.2 Mobilize Great Public Schools resources to build capacity in affiliates through training and professional development	1,249,085	22,890	1,271,975
2.3 Protect and promote profession of teaching by developing/implementing strategies to strengthen and enhance standards and/or policies for teacher	-	177,592	177,592
2.4 Increase capacity to state affiliates to mobilize members and the public to create teaching/learning conditions that lead to the closing of achievement gaps, increased graduation rates, and quality education for all	936,096	12,438	948,534
Total provide resources to assist affiliates build capacity to support their initiatives designed to advance pro-public education policies for student learning and workforce	2,318,744	212,920	2,531,664

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
quality			
3. Partner will affiliates and others to support workforce quality designed to improved student achievement and increased graduation rates			
3.1 Help state affiliates deliver high quality services to members and prospective members through existing NEA programs for teacher certification, licensure, recruitment, and other teacher quality resources	248,981	24,553	273,534
3.2 Inform and engage ethnic minority organizations to promote and/or advocate for initiatives in support of culturally competent educators, improved student achievement, and increased graduation rates	19,584	85,633	105,217

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total partner with affiliates and others to support workforce quality designed to improved student achievement and increased graduation rates	268,565	110,186	378,751
			(continued)

See notes to supplemental summary schedule of agency fee chargeable and nonchargeable expenditures.

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES
SUPPLEMENTAL SUMMARY SCHEDULE OF AGENCY FEE CHARGEABLE AND NONCHARGEABLE EXPENDITURES
YEAR ENDED AUGUST 31, 2011

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
4. Provide support, research, and information to staff, members, and affiliates that improve workforce quality through improved working conditions and benefits, advocacy rights, professional development products			
4.1 Provide grants and technical assistance to all stare affiliates related to policy and practice	988,896	776,303	1,765,199
4.2 Provide policy support/analysis to NEA departments for passage of pro-public education federal legislation, incl. ESEA	-	1,478,908	1,478,908

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
4.3 Provide state affiliates with policy frameworks and concepts to support school transformation	179,385	445	179,830
4.4 Identify quality workforce standards to support professional development and compensation improvement	38,253	12,413	50,666
4.5 Provide state affiliates with information, models, and strategies resulting from NEA's work in Priority Schools Campaign	241,734	-	241,734
4.6 Provide high quality professional development products that meet the demands of the profession by improving and enhancing the knowledge, skills, and effectiveness of the educational workforce	-	721,018	721,018

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
4.7 Sustain, grow, and institutionalize comprehensive online tools devoted to education policy, research, and practice focused on the criteria and indicators for Great Public Schools	113,895	116,968	230,863
4.8 Advance the professional practice of teachers by working with state and/or local affiliates to develop, implement, and sustain comprehensive teacher assessment and evaluation systems	105,780	105,779	211,559
4.9 Educate, mobilize, and engage members, affiliate staff, and governance in teacher quality policy and practice issues by providing technical assistance	809,872	849,316	1,659,188

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
4.10 Provide research and information to transform our public education system to meet the needs of all students	1,443,321	944,652	2,387,973
4.11 Provide school assessment and improvement tools, processes, and related technical assistance to state and local affiliates and their partners to build capacity and their efforts to advocate for and secure improved school learning and working conditions and provide quality education for all students	589,357	16,351	605,708
4.12 Build relationships with external education service and program providers to review, recommend, and/or jointly create English language learner pro-	77,808	3,544	81,352

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
grams/products and make those programs/products available to affiliates and school districts			
4.13 Administer Educators Employment Liability, Association Professional Liability, and Fidelity Bond Insurance Programs	11,810,567	68,935	11,879,502
4.14 Administer the Unified Legal Services Program by providing financing assistance to state affiliates for employment-related legal matters	17,796,610	7,284,749	25,081,359
4.15 Research, plan, implement, fund, and evaluate earned media, paid media, and other public relations initiatives that support student learning and workforce quality	-	218,229	218,229

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
4.16 Provide technical assistance to NEA governance, staff, and state affiliates in efforts to address public pensions, retirement security, health care benefits, bargaining/advocacy rights, and/or issues for members	957,465	747,767	1,705,232
4.17 Develop/deliver training and assistance, including legislative analyses, regulatory information, and bargaining advocacy strategies to state affiliates on federal health reform	-	405,065	405,065
Total provide support, research, and information to staff, members, and affiliates that improve workforce quality through improved working conditions and benefits, advocacy rights, and professional development products	35,152,943	13,750,442	48,903,385

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES

SUPPLEMENTAL SUMMARY SCHEDULE OF AGENCY FEE CHARGEABLE AND NONCHARGEABLE EXPENDITURES
YEAR ENDED AUGUST 31, 2011

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Affiliate programs and services that increase membership			
1. Build affiliate capacity for membership growth through project funding and constituency group assistance			
1.1 Increase capacity and commitment of constituency groups to grow membership	883,414	2,633,703	3,517,117
1.2 Strengthen affiliates' commitment, structures, and systems to facilitate a culture of organizing and membership growth	64,699,439	12,625,641	77,325,080

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total build affiliate capacity for membership growth through project funding and constituency group assistance	65,582,853	15,259,344	80,842,197
2. Develop and administer state affiliates' cooperative agreements and provide funding for the implementation of state and regional financial assistance			
2.1 Administer the affiliate cooperative agreement process	1,296,052	432,017	1,728,069
Total develop and administer state affiliates' cooperative agreements and provide funding for the implementation of state and regional financial assistance	1,296,052	432,017	1,728,069
3. Create and align all NEA infrastructures to support membership growth, with special attention to UniServ, research and technology			

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
3.1 Create and align all NEA infrastructures to support membership growth with special attention to UniServ, research, and technology	399,220	368,585	767,805
Total create and align all NEA infrastructures to support membership growth, with special attention to UniServ, research, and technology	399,220	368,585	767,805
4. Collaborate with affiliates to increase membership in existing and new markets			
4.1 Grow membership in all categories by collaborating with state affiliates	-	2,552,813	2,552,813
4.2 Grow membership in all categories by collaborating with targeted state affiliates	20,467	5,688,228	5,708,695

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
4.3 Grow membership through strategic investments in mergers, affiliation of independents, and new markets that have the potential for a return on investment	-	108,204	108,204
Total collaborate with affiliates to increase membership in existing and new markets	20,467	8,349,245	8,369,712
			(continued)

See notes to supplemental summary schedule of agency fee chargeable and nonchargeable expenditures.

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES

SUPPLEMENTAL SUMMARY SCHEDULE OF AGENCY FEE CHARGEABLE AND NONCHARGEABLE EXPENDITURES
YEAR ENDED AUGUST 31, 2011

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Advocate and communicate for public education			
1. Increase member support of pro-education candidates			
1.1 Increase the level of support within NEA membership for NEA recommended candidates and increase membership engagement within campaigns	-	4,651,529	4,651,529
1.2 Increase public communications to and advocacy efforts, ballot measure campaigns, and independent expenditures	-	21,458,504	21,458,504

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total increase member support of pro-education candidates and increase public communications and advocacy for association political and legislative programs	-	26,110,033	26,110,033
2. Increase pro-public education advocacy and develop relationships with the federal government to advance NEA's pro-public education agenda			
2.1 Advocate and pass pro-public education and social justice legislation and policies, and increase the frequency of advocacy with targeted public and elected officials	-	11,699,077	11,699,077
2.2 Develop, coordinate, and maintain a partnership with the White House and the executive branch to best advance NEA's pro-public education agenda	-	648,546	648,546

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total increase pro-public education advocacy and develop relationships with the federal government to advance NEA's pro-public education agenda	-	12,347,623	12,347,623
3. Communicate the NEA beliefs, qualities, and services to engage members and improve target audiences' recognition of NEA through print and electronic media			
3.1 Strengthen the understanding and affinity of NEA members, as well as other target audiences, for the beliefs, qualities, and services associated with NEA	-	1,976,748	1,976,748

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
3.2 Design communications to maximize effectiveness in supporting Core Services and Strategic Goals as through the use of opinion research, planning, strategic implementation, and evaluation	830,155	4,933,329	5,763,484
3.3 Implement reliable and sell-crafted communications for educators that highlight the Association's activities, important developments, and information useful to educators' professional and personal lives	1,776,613	9,981,424	11,758,037
Total communicate the NEA beliefs, qualities, and services to engage members and improve target audiences' recognition of NEA through print and electronic media	2,606,768	16,891,501	19,498,269

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
4. Increase the capacity of NEA governance, members, and staff to advocate for all members through a greater use of campaign tools and resources and partner with affiliates to increase PAC participation			
4.1 Increase the capacity of governance, members, and staff to better advocate for themselves and members	-	122,716	122,716
4.2 Increase participation in the NEA Fund for Children and Public Education	-	1,803,743	1,803,743
4.3 Increase efficient use of campaign tools, technology, and resources in all NEA targeted campaigns	130,849	797,950	928,799

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total increase the capacity of NEA governance, members, and staff to advocate for all members through a greater use of campaign tools and resources and partner with affiliates to increase PAC participation	130,849	2,724,409	2,855,258
			(continued)

See notes to supplemental summary schedule of agency fee chargeable and nonchargeable expenditures.

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES
SUPPLEMENTAL SUMMARY SCHEDULE OF AGENCY FEE CHARGEABLE AND NONCHARGEABLE EXPENDITURES
YEAR ENDED AUGUST 31, 2011

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Develop and sustain strategic partnerships			
1. Advance NEA's mission, vision, goals, and core values with Education International and other international organizations and partners			
1.1 Reflect NEA's voice in Education International policy development, implementation, and programmatic work, as well as in advocacy among international organizations and with pertinent global partners	-	5,083,348	5,083,348

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total advance NEA's mission, vision, goals, and core values with Education International and other international organization and partners	-	5,083,348	5,083,3458
2. Engage national, state, and local partners to support effective transformation of priority schools and provide assistance to locals for partnership development			
2.1 Assist in efforts to transform NEA's targeted priority schools through partnership engagement and development, and developing funding from a variety of sources	17,382	13,427	151,809

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total engage national, state, and local partners to support effective transformation of priority schools and provide assistance to locals for partnership development	17,382	134,427	151,809
3. Assist state affiliates in identifying partners and provide resources to strengthen coalitions and mobilize public and policy support for TEF			
3.1 Provide technical assistance to state affiliates in identifying partners and provide resources to strengthen state-based coalitions to mobilize TEF support	-	176,802	176,802
Total assist state affiliates in identifying partners and provide resources to strengthen coalitions and mobilize public and policy support for TEF	-	176,802	176,802

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
4. Partner with business end nonprofit leaders to support the Salary Campaign			
4.1 Identify and develop partnerships with business and nonprofit leaders to support a Salary Campaign message	-	66,991	66,991
Total partner with business and nonprofit leaders to support the Salary Campaign	-	66,991	66,991
5. Partner with organizations to inform and advance NEA's workforce quality agenda and promote healthy teaching and learning environments			

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
5.1 Develop and sustain active partnerships and collaborations with national partners to inform and advance NEA 's educator and future workforce quality agenda	90,873	171,283	262,156
5.2 Support partnerships promoting healthy environments for students, staff, and members	797,995	82,308	880,303
Total partner with organizations to inform and advance NEA's workforce quality agenda and promote healthy teaching and learning environments	888,868	253,591	1,142,459
6. Develop partnerships that advance and achieve NEA's federal and regulatory policy priorities including funding to implement these priorities			

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
6.1 Develop, sustain, and leverage partnerships to advance and achieve NEA 's federal and regulatory policy priorities	-	133,318	133,318
Total develop partnerships that advance and achieve NEA's federal and regulatory policy priorities including funding to implement these priorities	-	133,318	133,318
7. Partner with ethnic minority, civil rights, and other organizations to advance NEA's commitment to social justice			
7.1 Develop, sustain, and leverage partnerships with ethnic minority, civil rights, and other organizations to advance NEA 's commitment to social justice	93,356	160,882	254,418

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total partner with ethnic minority, civil rights, and other organizations to advance NEA's commitment to social justice	93,356	160,882	254,418
8. Partner with the business community and other organizations to ensure that public schools receive the resources required to prepare students for success in the 21st century			
8.1 Develop, sustain, and leverage partnerships with the business community and other organizations that will ensure funding, resources, and training are provided to public schools to prepare students for success in the 21st century	-	98,527	98,527

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total partner with the business community and other organizations to ensure that public schools receive the resources required to prepare students for success in the 21st century	-	98,527	98,527
9. Develop national partnerships that support state affiliates in building and maintaining their capacity to achieve NEA priority policy goals at the state level			
9.1 Develop, sustain, and leverage national partnerships, coalitions and alliances to assist state affiliates achieve NEA priority goals, primarily at the state level	-	184,450	184,450

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total develop national partnerships that support state affiliates in building and maintaining their capacity to achieve NEA priority policy goals at the state level	-	184,450	184,450
10. Develop national partnerships that result in increased support for union membership, the recruitment and retention of NEA members, and minimized inter-union competition			
10.1 Develop and sustain relationships and agreements that result in increased support for union membership, the recruitment and retention of NEA members, and minimized inter-union competition	-	76,624	76,624

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total develop national partnerships that result in increased support for union membership, the recruitment and retention of NEA members, and minimized inter-union competition	-	76,624	76,624
11. Develop, sustain, and leverage strategic alliances to advance NEA's core values and strategic priorities around partnerships			
11.1 Develop, sustain, and leverage strategic alliances to advance NEA's core values and strategic priorities around partnerships	-	3,869,146	3,869,146
Total develop, sustain, and leverage strategic alliances to advance NEA's core values and strategic priorities around partnerships	-	3,869,146	3,869,146

See notes to supplemental summary schedule of agency fee chargeable and nonchargeable expenditures.

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES
SUPPLEMENTAL SUMMARY SCHEDULE OF AGENCY FEE CHARGEABLE AND NONCHARGEABLE EXPENDITURES
YEAR ENDED AUGUST 31, 2011

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Business and governance operations			
1. Provide business systems, legal, and financial expertise to NEA and affiliates			
1.1 Unify NEA properties, programs, and product sales under a consolidated business development plan to leverage brand assets, increase revenue, and ensure Association image	-	336,359	336,359
1.2 Maintain financial and membership management systems to meet evolving business of NEA and affiliates	956,023	1,015,159	1,971,182
1.3 Ensure/track NEA/affiliate fiscal health with relevant training and	2,843,495	3,019,382	5,862,877

		Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
	advisory services provided to fulfill their fiduciary duties to staff and governance, to enhance their ability to conduct association business, and to meet all regulatory requirements			
1.4	Provide comprehensive transaction processing and reporting to ensure compliance with NEA policies, accounting standards, and federal, state, and local regulations	4,704,981	3,571,776	8,276,757
1.5	Manage/project the finances of the Association through the monitoring and analysis of revenues and expenditures and all relevant factors	425,247	442,284	867,531
1.6	Execute comprehensive risk management program, including audits, compliance, and information security, to reduce loss / increase efficiency	338,444	209,805	548,249

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
1.7 Legal advice, counseling, agency fee support and support for NEA Fund for Children and Public Education and FEC matters	1,237,658	1,260,731	2,498,389
Total provide business systems, legal and financial expertise to NEA and affiliates	10,505,848	9,855,496	20,361,344
2. Manage employee benefits and services, labor relations, and workforce costs			
2.1 Workforce planning including position control, recruitment, internships, Human Resource partner consulting	1,763,138	-	1,763,138
2.2 Human Capital including labor relations, payroll, benefits, performance management, and collective bargaining agreements	3,343,755	-	3,343,755
Total manage employee benefits and services, labor relations, and workforce costs	5,106,893	-	5,106,893

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
3. Provide departmental infrastructure and business intelligence systems that align with NEA's strategic goals and services			
3.1 Align and leverage Association strategies and resources for innovation, adaptability, and operational efficiencies and effectiveness	22,084	225,596	247,680
3.2 Lead, direct, and align programs and services and manage resources to effectively realize Association's core services and strategic goals	271,880	-	271,880
3.3 Improve business intelligence systems through enterprise integration to enhance ability to make business decisions aligned with NEA strategy	16,177,950	17,178,647	33,356,597
Total provide departmental infrastructure and business intelligence systems that align with NEA's strategic goals and core services	16,471,914	17,404,243	33,876,157

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
4. Sustain NEA as a high-performance learning organization and archive its records for current and future generations			
4.1 Support the alignment, integration, and sustainment of state affiliates	267,160	7,645,986	7,913,146
4.2 Facilitate development and alignment of NEA strategy/operations	461,021	-	461,021
4.3 Facilitate establishment of workplace culture that fosters development of a workforce that is inspired to achieve NEA's vision and strategy	503,208	-	503,208
4.4 Archiving of NEA records, documents, and related materials to preserve the Association's history, to allow for current and future generations to learn and appreciate NEA's role in the development of public education in America	281,981	299,424	581,405

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total sustain NEA as a high-performance learning organization and archive its records for current and future generations	1,513,370	7,945,410	9,458,780
5. Provide technologies for strategic, tactical, and daily operations			
5.1 Ensure that Associationwide technology applications, databases, and systems are aligned with the Association's goals and objectives	6,260,873	6,648,143	12,909,016
5.2 Enhance alignment and management of information technology and customer service delivery to match current/future needs of Association	1,668,370	1,771,568	3,439,938
5.3 Build and provide ongoing operations of reliable and robust technology infrastructure to support growing communication and information technology needs of the Association	1,987,574	2,110,517	4,098,091

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total provide technologies for strategic. tactical, and daily operations	9,916,817	10,530,228	20,447,045
6. Provide facility management, operational support, and meeting logistics			
6.1 Initiate and complete building projects that will improve the infrastructure	251,490	-	251,490
6.2 Facilities management, operational support, meeting logistics, and print media production	16,114,592	-	16,114,592
Total facility management, operational support, and meeting logistics	16,366,082		16,366,082
7. Provide administrative and financial support to the national councils and constituency groups			

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
7.1 Provide administrative and financial assistance to the national councils and constituency groups (NCHE, NCUEA, NCESP, NEA, Retired, and Student Program)	-	597,901	597,901
Total provide administrative/financial support to national councils / constituency groups	-	597,901	597,901
8. Provide support to governance and the NEA policy making process			
8.1 Executive officers and committee	2,081,538	717,533	2,799,071
8.2 Board of Directors and committees	3,702,619	64,043	3,766,662
8.3 Standing committees	189,932	329,273	519,205
8.4 NEA Representative Assembly and its standing committees	988,790	-	988,790
8.5 Provide coordinated support and services to NEA governance in a manner that advances NEA's mission, vision, and strategic priorities	1,100,484	546,084	1,646,568

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
Total provide support to governance and the NEA policy making process	8,063,363	1,656,933	9,720,296
9. Provide members professional development and leadership training			
9.1 Provide useful, relevant, effective minority/women's leadership training and continuing development through Minority Leadership Training Program and Women's Leadership Training Program	1,761,849	482,639	2,244,488
9.2 Provide constituency group leadership development through the National Student Leadership Conference, NEA-Retired Conference, Higher Education Emerging Leaders Academy, and the ESP Leaders for Tomorrow training	728,719	1,221,355	1,950,074

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
9.3 Provide member professional development opportunities	897,921	214,316	1,112,237
9.4 Provide support to state affiliates through coordination of National Council of State Education Associations (NCSEA), implementation of executive leadership training advocacy of state affiliate priorities within NEA and creation of opportunities for state affiliate leaders to share issues, concerns, experiences	363,185	139,754	502,939
9.5 Provide state and local staff professional development opportunities that enhance their ability to work with all constituent groups	250,970	1,695	252,665

	Chargeable Expenditure	Nonchargeable Expenditure	Total Expenditures
9.6 Develop and implement a governance leadership learning system through the establishment of leader-to-leader programs	-	493,209	493,209
9.7 Provide learning opportunities through the leadership Institute that enhance professional skills and contribute to high performance	550,881	-	550,881
9.8 Conduct theHuman and Civil Rights pre-RA events to address current trends and recognize accomplishments of women, GLBT, and ethnic minorities	601,184	637,938	1,239,122
Total provide members professional development and leadership training	5,154,709	3,190,906	8,345,615
Total Expenditures	187,241,015	165,079,254	352,320,269

See notes to supplemental summary schedule of agency fee chargeable and nonchargeable expenditures.

NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES

NOTES TO SUPPLEMENTAL SUMMARY SCHEDULES OF AGENCY FEE CHARGEABLE AND NONCHARGEABLE EXPENDITURES YEAR ENDED AUGUST 31, 2011

1. AGENCY FEE CHARGEABLE AND NONCHARGEABLE EXPENDITURES

The National Education Association (NEA) collects agency or service fees from non-members of NEA. These non-members are referred to as "agency feepayers." NEA is required by law to have procedures in effect to determine the amount of its expenditures that can be charged to objecting agency feepayers. The procedures that NEA applies have received the approval of arbitrators, public sector labor boards, and courts. The legal interpretations and standards that NEA currently utilizes to make its determinations of chargeability have been developed by the NEA's Office of General Counsel based on relevant case law.

NEA has analyzed its expenditures and determined which of those expenditures were "chargeable" to objecting agency feepayers and which of them were "nonchargeable" to those agency feepayers. Based on relevant federal and state judicial and administrative decisions, it was determined that *chargeable* activities and expenditures were related to the following matters:

1. collective bargaining;
2. preparations for strikes, and activities undertaken in connection with lawful strikes;

3. contract administration;
4. grievance processing, including arbitration;
5. specific terms and conditions of employment that may be negotiable, such as wages, hours, benefits, working conditions, employment discrimination, promotions, discipline, discharge, retirement benefits, performance evaluation, overtime compensation, environmental issues in the workplace, etc.;
6. communications with bargaining unit members regarding services they receive;
7. professional development (including teacher education, continuing education, and certification), curriculum development and implementation, teaching methods and other instructional skills, information and materials intended for instructional purposes, site-based decision making, and education generally, except to the extent that such activities and expenditures involve lobbying and other political activities, membership organizing or recruitment activities, and/or external public relations;
8. uses of technology in education;
9. publications, portions of publications, or any other communications which involve chargeable issues, such as those related to activities or expenditures listed herein as chargeable, if the publications are provided to agency feepayers;
10. unemployment and job opportunities in education;
11. insurance programs and other benefits for which both members and agency feepayers are eligible;
12. NEA award programs;

13. Association leadership and management skills training and techniques, strategic planning;
14. NEA Representative Assembly, Executive Committee and Board of Directors; and
15. employee relations and NEA staff grievances.

It was further determined that *nonchargeable* activities and expenditures were related to the following matters:

1. lobbying and political efforts before state legislatures, state administrative agencies, Congress, federal agencies or other executive branch officials, and ballot initiatives, as well as any grassroots lobbying activities related to the Great Public Schools Program, unless any of the preceding are specifically related to ratification or implementation of a collective bargaining agreement;
2. external public relations (unless specifically related to collective bargaining or contract administration), American Education Week, National Teacher Day, and any public relations related to the Great Public Schools Program;
3. litigation, unless specifically related to collective bargaining, contract administration or organizational maintenance;
4. voter registration and get-out-the-vote activities for members, and campaign techniques (i.e., training programs designed to prepare leaders, staff and/or members to work with members in support of candidates for any public office);
5. supporting or contributing to charitable, religious or ideological causes (e.g., direct or in- kind contributions to such causes, expenditures designed

primarily to assist such causes, and payments to fundraisers for groups which promote such causes);

6. supporting political organizations or candidates for public office (e.g., activities in connection with the endorsement of political candidates, activities in connection with the NEA Fund for Children and Public Education, including its administration, consulting with/or providing training for state/local political action committees);
7. publications, portions of publications or any other communications which involve nonchargeable issues, such as those related to activities or expenditures listed herein as nonchargeable;
8. organizing or recruiting new members, establishing new or expanded bargaining units, organizing and recruitment activities related to the Great Public Schools Program, defending against challenges to exclusive bargaining representative status;
9. various ideological issues unrelated to collective bargaining or organizational maintenance, such as reproductive freedom (including abortion and birth control), anti-flag burning laws, balanced budget amendment, prayer in school, school vouchers, race relations in Africa and Asia, energy conservation, human rights, nuclear arms freeze, child support enforcement, judicial or executive appointments, student scholarships, etc.;
10. illegal job actions and administration of the National Education Employees Assistance Fund;

11. monitoring and opposing activities of groups and individuals whose purpose is to undermine public education;
12. members-only benefits, (e.g., DUES-TAB Insurance);
13. NEA-Retired and NEA Student Program activities; and
14. international relations, the Education International.

Expenditures in the following categories were analyzed by examining staff's daily activity reports, vouchers and financial reports, written or audiovisual publications, service or funding agreements, meeting or conference agendas/materials, research surveys, etc., in the context of the criteria listed above: Tax and economic policies and school funding; Improved education members' salaries; Making priority schools great public schools for all students; Student learning and workforce quality; Affiliate programs and services that increase membership; categories 1, 2, 4 and portions of category 3 of Advocate and communicate for public education; Develop and sustain strategic partnerships; and portions of categories 1 4, 6, and 8 - 9, of Business and governance operations. Based upon these analyses, NEA determined which of its expenditures were chargeable and which were nonchargeable.

2. STATE AFFILIATE DETERMINATION OF CHARGEABLE EXPENDITURES

The total chargeable and nonchargeable expenditures included in the Affiliate Financial Assistance Program (category 2 of Affiliate programs and services that increase membership), Small States Foundation

Program, Unified State Executive Director Program, Local Presidents Release Time Program, and UniServ Grants Program (all in category 1 of Affiliate programs and services that increase membership), and in the Unified Legal Services Program (category 4 of Student learning and workforce quality), have been allocated based on a conservative estimate of the average chargeable percentages reported by the state affiliates for the year ended August 31, 2010. That is because, at the time of this audit, state affiliates have not yet completed their own audits for the year ended August 31, 2011. State affiliates will subsequently report their respective chargeable and nonchargeable percentages for the year ended August 31, 2011, when complete, audited information is available for them to make such determinations. Therefore, the chargeable and nonchargeable expenditures of those programs listed in this document are estimates for purposes of these schedules and will subsequently be adjusted to actual upon receipt of the chargeable and nonchargeable percentages from state affiliates.

The expenditures in category 4 of Student learning and workforce quality include amounts for Educators Employment Liability (EEL) insurance and the Attorney Referral Program (ARP), which are not provided to agency feepayers in some states. For purposes of this presentation, the EEL-related expenditures have been treated as chargeable and the ARP-related expenditures have been treated as nonchargeable; however, in the states where either the EEL insurance or ARP is not provided to agency feepayers, the expenditures will be considered nonchargeable.

3. OVERHEAD FUNCTIONS

The expenditures in the following Core Service Areas and Strategic Goals are considered programmatic in nature: Tax and economic policies and school funding; Improved education members' salaries; Making priority schools great public schools for all students; Student learning and workforce quality; Affiliate programs and services that increase membership; categories 1, 2, 4 and portions of category 3 of Advocate and communicate for public education; Develop and sustain strategic partnerships; and portions of categories 1, 4, 7, and 9, of Business and governance operations.

The expenditures in the following Core Service Areas are considered support or overhead: portions of category 3 of Advocate and communicate for public education; category 2, 3, 5, 6, and 8 and portions of categories 1, 4, 7, and 9 of Business and governance operations. In view of this relationship, management believes it is fair and reasonable to allocate the expenditures in the support or overhead areas by the percentage determined as chargeable for the programmatic activities, but only after specific clearly chargeable or clearly nonchargeable expenditures have been separated and treated as fully chargeable or nonchargeable, respectively.

The support or overhead expenditures, which are considered clearly chargeable, are as follows:

Core Service Area 3 Advocate and communicate for public education		
3. Communicate the NEA beliefs, qualities, and services to engage members and improve target audiences' recognition of NEA through print and electronic media		
Tactic 3.3	RA Today	$413,778
Core Service Area 5 Business and governance operations		
1. Provide business systems, legal, and financial expertise to NEA and affiliates		
Tactic 2.3	Headquarters property tax payments	1,601,661
Tactic 2.5	Internal auditing	140,860
Tactic 2.6	Agency fee support	109,332
2. Manage employee benefits and services, labor relations, and workforce costs		
Tactic 3.1	Workforce planning, position control	1,763,138
Tactic 3.2	Human capital, labor relations, payroll	3,343,755
3. Provide departmental in-		

frastructure and business intelligence systems that align with NEA's strategic goals and core services		
Tactic 4.1	Annual meeting innovations	19,624
Tactic 4.1	Align association strategies	2,460
Tactic 2.3	Strategic management system	271,880
4. Sustain NEA as a high-performance learning organization and archive its records for current and future generations		
Tactic 5.1	Strategic intent	251,350
Tactic 5.1	G-27	15,810
Tactic 5.2	Strategic planning/operational review	461,021
Tactic 5.3	Cultural tactics	503,208
6. Provide facility management, operational support, and meeting logistics		
Tactic 7.1	Building projects	251,490
Tactic 7.1	Facilities management, operational support	16,114,592
8. Provide support to governance and the NEA policy making process		
Tactic 9.2	Executive committee	1,405,805

Tactic 9.3	Board of directors	3,702,619
Tactic 9.5	Standing committees of the RA	988,790
Tactic 9.6	Handbook, proceedings, and minutes	41,566
Tactic 9.6	Support organizational priorities	544,645
9. Provide members professional development and leadership training		
Tactic 10.7	Learning management system	550,881
		32,084,487

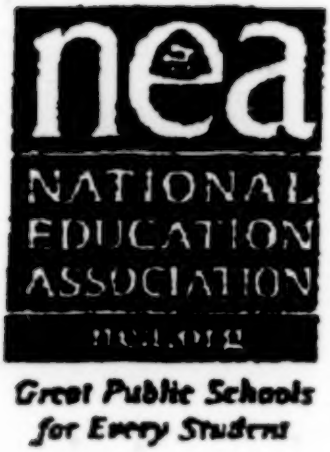
The support or overhead expenditures, which are considered clearly chargeable, are as follows:

Core Service Area 5 - Business & governance operations		
1. Provide business systems, legal, and financial expertise to NEA and affiliates		
Tactic 2.3	PAC compliance systems	276,498
Tactic 2.6	FCPE policy support services	62,611
3. Governance capacity building, engagement and leadership development		
Tactic 4.1	Online training	141,265
Tactic 4.1	Fulfillment services	84,331

8. Support and sustain NEA as a high-performance learning organization		
Tactic 9.2	International travel	45,164
Tactic 9.3	Committee on membership eligibility	18,879
Tactic 9.4	Standing committee -legislation	33,491
Tactic 9.4	Standing committee- student	24,250
Tactic 9.4	Standing committee- membership	69,852
		756,341

For purposes of this schedule, the chargeable and nonchargeable expenditures of the remaining support or overhead areas are based upon a chargeable percentage figure that has been derived from the chargeable programmatic activity expenditures as they appear elsewhere in the schedule. Because, as explained in Note 2, the chargeable percentages for some programmatic activities will vary from state to state in accordance with certain specific expenditures of those state affiliates, the chargeable and nonchargeable expenditures of those remaining support or overhead areas are not final. Once NEA receives the appropriate information from the state affiliates, it will calculate a final chargeable programmatic activity percentage for each state affiliate and then use that percentage to allocate the expenditures in the remaining support or overhead areas. Consequently, new NEA total chargeable and nonchargeable expenditures will result for each state affiliate.

* * *



Dennis Van Rockel
President

Lily Eskelsen
Vice President

Rebecca S. Pringle
Secretary-Treasurer

John Stocks
Executive Director

1201 16th St., N.W. Washington, D.C. 20036
Phone: (202) 833-4000

August 9, 2012 California

NATIONAL EDUCATION ASSOCIATION CHARGEABLE AND NONCHARGEABLE AUDITED EXPENDITURES FOR THE 2010-2011 FISCAL YEAR

CHARGEABLE & NONCHARGEABLE AUDITED EXPENDITURES BY CORE SERVICE AREA AND STRATEGIC GOAL CATEGORY

I. PROGRAMMATIC ACTIVITIES

NEA's programmatic activities are organized into 37 Strategic Goal and Core Service Categories.

TAX AND ECONOMIC POLICIES AND SCHOOL FUNDING (TEF)

Category 1 Provide research and technical assistance to all state affiliates on TEF issues: Provided

research and technical assistance to state affiliate staff regarding how quality schools are related to educational funding, economic development, and taxation. Provided technical support and training on tax, economic policies and school funding.

Chargeable audited expenditures	$ 0-
Nonchargeable audited expenditures	$ 2,226,918
Total audited expenditures	$ 2,226,918

Category 2 Provide research and technical assistance to state affiliates to build tax and economic infrastructures for adequate and equitable funding. Provided TEF research and technical assistance to state affiliates for achieving adequate, equitable and stable funding for public education.

Chargeable audited expenditures	$ 0-
Nonchargeable audited expenditures	$ 310,650
Total audited expenditures	$ 310,650

Category 3 - Provide assistance to affiliates for implementing TEF-conscious advocacy, message development, and dissemination of TEF information: Provided research and technical assistance to states for implementing TEF-conscious strategies. Provided research and technical assistance to state affiliates to promote TEF policies. Created cross-platform media to mobilize around funding campaigns.

Chargeable audited expenditures ..... $ 0-

Nonchargeable audited expenditures ..... $ 403,226

Total audited expenditures ..... $ 403,226

IMPROVED EDUCATION MEMBERS' SALARIES

Category 1 Provide technical and financial support to affiliates engaged in or preparing to engage in comprehensive salary campaigns: Created and presented training focusing on bargaining for higher compensation through living wage and salary campaigns. Conducted an Annual Salary Roundtable meeting. Provided assistance to affiliates with regard to building and mobilizing community support for better compensation. Provided financial assistance, materials, and training to affiliates in connection with bargaining strategies for increasing compensation. Provided information and technical assistance to state affiliates on such matters as career ladders, block scheduling, the impact of teacher experience on student achievement, teacher quality, and professional development resources.

Chargeable audited expenditures ..... $ 1,272,396

Nonchargeable audited expenditures ..... $ 401,355

Total audited expenditures ..... $ 1,673,751

Category 2 Position NEA to be the national voice for the improvement of education employees' salaries:

Marketed salary campaign-branded goods to affiliates for use in creating momentum for salary campaigns. Developed media to drive interest of members and the public around NEA salary campaign. Created a cross-platform media program that develops a sense of community among members for salary campaigns. Increased online coverage of salary campaign.

Chargeable audited expenditures	$ 1,500
Nonchargeable audited expenditures	$ 48,007
Total audited expenditures	$ 49,507

Category 3 Collect, store, analyze, and report information that supports NEA national state affiliate salary campaigns: Populated a salary database with data on Education Support Professionals (ESPs) and higher education faculty. Produced a report on annual average starting salary and progress toward campaign goals. Provided Association Compensation Analysis Program and National Compensation Analysis Program database user support and training used in collective bargaining efforts. Held the NEA Summit on Alternative Compensation. Produced an internal report on alternative compensation models.

Chargeable audited expenditures	$ 743.599
Nonchargeable audited expenditure	$ 30,350
Total audited expenditures	$ 773,949

Category 4 Provide training to support the work of NEA and its affiliates to effectively advocate for professional pay for all members: Provided training to UniServ, Regional field staff, and national office staff on salary campaigns. Updated training modules on salary campaigns. Provided message research, development, training, and delivery for salary campaigns.

Chargeable audited expenditures	$ 48,661
Nonchargeable audited expenditures	$ 358,822
Total audited expenditures	$ 407,483

MAKING PRIORITY SCHOOLS GREAT PUBLIC SCHOOLS FOR ALL STUDENTS

Category 1 Provide technical assistance, training, and resources to state and local affiliates to help them identify and support targeted priority schools. Mobilized Priority Schools Campaign (PSC) resources to support state comprehensive plans in the areas of policy, practice, capacity building, and demonstration projects. Built capacity in targeted affiliates through professional development for state leaders and staff and provided resources and technical assistance. Provided resources and technical assistance to affiliates and schools on the Keys to Excellence for Your School (KEYS) continuous school improvement program to improve student achievement in PSC targeted schools. Reviewed and produced education research studies about school improvement and information to support the KEYS indicators. Awarded

grants to state affiliates to provide teachers with English Language Learner (ELL) training. Gathered and analyzed data to identify and meet the most critical information needs of targeted priority schools, including but not limited to information about closing achievement gaps, preventing dropouts. and teaching ELL students. Launched mentoring program that connects teachers in targeted high-needs schools with National Board Certified Teachers.

Chargeable audited expenditures ..... $ 2,646,377

Nonchargeable audited expenditures ..... $ 645,118

Total audited expenditures ..... $ 3,291,495

Category 2 Engage affiliates and members to support local efforts to transform priority schools while raising the awareness of the Priority Schools Campaign. Established public engagement and family-school partnerships in support of targeted priority schools. Conducted presentations, trainings and briefings on ELLs. Identified, informed, and engaged leaders and partners within the ethnic minority communities in support of efforts to transform targeted priority schools.

Chargeable audited expenditures ..... $ 425,283

Nonchargeable audited expenditures ..... $ 579,947

Total audited expenditures ..... $ 1,005,230

Category 3 Communicate with members, partners, and the public to call attention to the urgency of, common issues and best practices for, transforming priority schools. Provided earned media, paid media, outreach, and other public relations initiatives in support of targeted priority schools. Created a media program that established and advanced the central messaging components to targeted audiences. Raised awareness of NEA's Priority Schools Campaign with elected and appointed officials to build support for the Priority Schools Campaign. Provided targeted affiliates technical support to win contract language necessary to support the Priority Schools Campaign.

Chargeable audited expenditures	$ 14,481
Nonchargeable audited expenditures	$ 1,335,944
Total audited expenditures	$ 1,350,425

STUDENT LEARNING AND WORKFORCE QUALITY

Category 1 Support Association effort to advocate for enhanced student learning and workforce quality and the advancement of NEA supported pro-public education and social justice policies: Provided research-based information to advocate for a quality education workforce. Conducted research-based projects that identify ESP job standards and certification requirements and demonstrate positive ESP influence on quality learning. Monitored, reviewed and analyzed federal legislation and regulations on a wide variety of education-related issues. Advanced

federal legislation and regulations that promote policies and practices to enhance student learning workforce quality. Advanced non-federal, NEA supported, pro-public education and social justice policies to enhance student learning and workforce quality.

Chargeable audited expenditures	$ 213,475
Nonchargeable audited expenditures	$ 763,389
Total audited expenditures	$ 976,864

Category 2 - Provide resources to assist affiliates build capacity to support their initiatives designed to advance pro-public education policies for student learning and workforce quality: Distributed grants and technical resources to develop ethnic minority leaders and improve staff skills regarding ethnic minority issues. Provided grants, information, resources, materials, and consultation regarding diversity, social justice, gay, lesbian, bisexual, transgender (GLBT), gender equity, and safe schools issues. Developed and provided specialized training for issues of concern to ESP members. Delivered training and resources on diversity, social justice, GLBT issues, safe schools, bullying and sexual harassment. Developed and implemented strategies to strengthen and enhance standards and policies for teacher preparation, licensure, and other standards for entry into teaching. Provided support for the work of the Individuals with Disabilities Education Act (IDEA) Cadre related to professional development on special education topics. Administered the Public Engagement Project (PEP) Program to assist in creating teaching

and learning conditions that lead to closing student achievement gaps and increase graduation rates. Created a professional development model to align curriculum with out-of-school experiences.

Chargeable audited expenditures ..... $ 2,318,744

Nonchargeable audited expenditures ..... $ 212,920

Total audited expenditures ..... $ 2,531,664

Category 3 Partner with affiliates and others to support workforce quality designed to improve student achievement and increased graduation rates: Helped state affiliates to deliver services to members and prospective members through existing NEA programs for teacher certification, licensure, recruitment, and other teacher quality resources. Developed and implemented national dissemination and outreach strategies for the NEA's National Board Candidate-Centered Support Guide. Engaged with ethnic minority organizations to promote and advocate for initiatives in support of culturally competent educations, improved student achievement, and increased graduation rates.

Chargeable audited expenditures ..... $ 268,565

Nonchargeable audited expenditures ..... $ 110,186

Total audited expenditures ..... $ 378,751

Category 4 Provide support, research, and information to staff, members, and affiliates that improve

workforce quality through improved working conditions and benefits, advocacy rights, and professional development policies: Provided grants and technical assistance to all state affiliates related to policy and practice. Developed indicators for the Great Public Schools (GPS) criteria and established data repositories and reporting systems for state education policies and practices used for gauging the indicators. Provided technical assistance, analysis, and information to NEA governance and departments in support of their advocacy efforts for pro-public education federal policy. Awarded grants and provided technical assistance to staff in state affiliates to improve accountability frameworks. Convened a meeting of NEA state affiliate executive directors to develop an action plan for the Race to the Top (RTTT). Tracked and analyzed state and federal policy affecting the ESP workforce. Awarded grants to state affiliates to provide teachers with ELL training. Provided grants to state affiliates to help teachers improve their skills, support National Board Certification (NBC), and address various teacher quality issues. Assisted state affiliates in implementing the Teacher Working Conditions (TWC) survey initiative. Provided funding to organizations aligned with NEA's policies on testing, class size, and teaching students with learning disabilities. Promoted policy recommendations and provided policy support for the reauthorization of federal legislation, including the Elementary and Secondary Education Act (ESEA), the Individuals with Disabilities Education Act (IDEA), Head Start, Perkins Career and Technical Education Act, and the Child Nutrition Act. Supported NEA's involvement in the Partnership for 21st Century Skills (P21). Col-

laborated with NEA Academy and institutions of higher education to provide leadership and professional development programs that offer academic credits. Provided policy support and analysis to NEA departments for the passage of pro-public education federal legislation, including ESEA. Provided state affiliates with policy frameworks and concepts to support school transformation. Identified quality workforce standards to support professional development and compensation improvement Provided state affiliates information, models, and strategies resulting from NEA's work in the Priority Schools Campaign. Conducted an annual consortium on National Board Certification for state affiliates. Conducted the NEA/National Staff Association for the Improvement of Instruction (NSAII) Teaching and Learning Conference. Participated in, and provided technical support for, the National Council for the Accreditation of Teacher Education (NCATE). Sponsored the Commission of Effective Teachers and Teaching. Provided research on the relationship between teacher working conditions and student achievement, value-added evaluation methodologies, education policy debates, and chronically underperforming schools. Completed surveys on school culture, school safety and student discipline, staff satisfaction, conference evaluations, and school restructuring. Implemented enhancements to the KEYS program, including research on school improvement, technical assistance to NEA state affiliates, and conducting meeting of the KEYS Advisory Group. Paid the premium for the Educators Employment Liability Program, which provides insurance to members, and feepayers in some states, protecting them from per-

sonal financial liability when they are sued as a result of employment-related activities. Paid the premiums for and administered the Association Professional Liability Program and the Fidelity Bond Program, which provide legal and financial protection to the Association, its leaders, and its staff. Through the Unified Legal Services Program (ULSP), provided reimbursements to state affiliates for the costs of legal representation of educators in connection with challenges to their employment rights. Conducted the ULSP Coordinators' Meeting. Provided technical assistance and training on retirement benefits, bargaining, legislative, and policy issues. Developed approaches to protecting and defending public pensions and public educator retirement security. Conducted the Collective Bargaining/Research Conference. Provided technical assistance and training on health care reform implementation issues and policy.

Chargeable audited expenditures	$ 11,860,961[i]
Nonchargeable audited expenditures	$ 37,042,424
Total audited expenditures	$ 48,903,385

AFFILIATE PROGRAMS AND SERVICES THAT INCREASE MEMBERSHIP

Category 1 Build affiliate capacity for membership growth through project funding and constituency group assistance: Increased capacity and commitment of constituency groups to grow membership. Conducted NEA-Retired and NEA-Student National Programs. Provided assistance, financial and technological support to the Higher Education National

Program. Published the 2011 Higher Education Almanac. Managed the Higher Education Contract Analysis System (HECAS) project. Delivered national skills training sessions to experienced UniServ staff. Conducted UniServ Academy Skill Development training for newly hired UniServ staff. Provided training to state and local affiliates on such matters as arbitration skills, crisis intervention, interest-based bargaining, bargaining behavior, team-building, and dispute resolution systems. Provided affiliates with financial assistance for local president release time, and provided training to local presidents on such matters as working as a team, conflict resolution, mobilizing members for collective action, developing an emerging leaders program, and creative ways to engage members in Association activities. Administered National Education Employees Assistance Fund (NEEAF) to provide interest-free loans to education employees and other financial assistance to affiliates in crises that emerge from disputes between education employees and boards of education. Provided grants to state affiliates to help pay salaries of UniServ directors, whose primary functions consist of contract negotiation and implementation, grievance processing and representation in arbitration, administration of local affiliates, and training local leaders and other educators in bargaining and school improvement activities. Provided financial assistance to state affiliates, including through the Unified State Executive Director and Small States Foundation Programs, for the maintenance of effective business operations and organizational and program development. Provided coordination of, and assistance for, state affiliate leadership

and management services. Conducted regional leadership conferences. Implemented the Affirmative Action UniServ Intern Training Program. Conducted state-based training sessions on bargaining and advocacy skills.

Chargeable audited expenditures ..... $ 69,697,074[ii]

Nonchargeable audited expenditures ..... $ 11,145,123

Total audited expenditures ..... $ 80,842,197

Category 2 Develop and administer state affiliates' cooperative agreements and provide funding for the implementation of state and regional financial assistance: Administered the affiliate cooperative agreement process. Provided affiliate financial assistance grants for maintenance of effective business operations and programs.

Chargeable audited expenditures ..... $ 1,181,999[iii]

Nonchargeable audited expenditures ..... $ 546,070

Total audited expenditures ..... $ 1,728,069

Category 3 - Create and align all NEA infrastructures to support membership growth, with special attention to UniServ, research, and technology: Updated the NEA bullying and prevention program and help education employees create safer working conditions by reducing the instances of bullying in classrooms and schools. Conducted research on ESP earnings and demographics and the findings of the ESP

survey. Developed the Data Book of K-12 and Higher Education ESP workforce with data on the composition, demographics, benefits, and earnings of the ESP workforce. Collected data to assess the impact of the current recession on employment conditions in education. Published book examining teacher working conditions, professional development, and compensation over the past 50 years and project for the future. Conduct the pilot phase of 5-year ESP member survey. Data used for organizing and collective bargaining efforts. Explore and design the methodology and survey questionnaire in preparation for the National Membership Survey of 2012. Upgraded and maintained the research database used to identify potential organizing targets and to provide salary information for collective bargaining.

Chargeable audited expenditures ..... $ 399,220

Nonchargeable audited expenditures ..... $ 368,585

Total audited expenditures ..... $ 767,805

Category 4 - Collaborate with affiliates to increase membership in existing and new markets: Worked to grow membership in all categories by collaborating with state affiliates. Provided campaign management and technical assistance to affiliates for membership growth. Provided research, training, materials, and assistance to affiliates facing privatization of ESP members' jobs. Provide campaign management and technical assistance to affiliates that require crisis assistance, and explored organizing possibilities. Provided training and materials to assist with organ-

izing political action committee (PAC) contributions as part of membership growth campaigns. Developed resources and materials to support integrated issue campaigns and monitor activities and messaging of anti-union competitor organizations. Increase membership of ethnic minorities and women. including members in public schools on Indian reservations. and Higher Education members in minority serving institutions by utilizing Minority Leadership Training (MLT) and Women's Leadership Training (WLT) trainees as recruiters in targeted state affiliate campaigns.

Chargeable audited expenditures	$ 20,467
Nonchargeable audited expenditures	$ 8,349,245
Total audited expenditures	$ 8,369,712

ADVOCATE AND COMMUNICATE FOR PUBLIC EDUCATION

Category 1 Increase member support of pro-education candidates and increase public communications and advocacy for association political and legislative programs: Developed a political program to build support among NEA members for pro-public education candidates from both major parties. Assisted state affiliates in efforts to assess the positions of their members on candidates and education issues. Collaborated with state associations on plans to educate, organize, mobilize, and turn out members and their households in state and federal elections. Built and strengthened coalitions, donor collaborations,

and independent communication tables to increase capacity for public communications through independent expenditures and issue advocacy. Provided state affiliates with financial assistance to advance public support for pro-education ballot measures, defeat anti-public education ballot measures, and urge passage or defeat of state education legislation. Coordinated the operation of the NEA Fund for Children and Public Education, NEA's PAC, which is funded exclusively from voluntary member contributions, and engaged members to increase PAC contributions.

Chargeable audited expenditures	$ - 0-
Nonchargeable audited expenditures	$ 26,110,033
Total audited expenditures	$ 26,110,033

Category 2 Increase pro-public education advocacy and develop relationships with the federal government to advance NEA's pro-public education agenda: Advocated and passed pro-public education and social justice legislation and policies, and increased the frequency of advocacy with targeted public and elected officials. Developed, coordinated and maintained a partnership with the White House and the executive branch to best advance NEA's pro-public education agenda. Promoted NEA's federal legislative agenda through a bipartisan lobbying program and grassroots mobilization. Partnered with other national organizations to lobby Congress and the executive branch in support of public education and NEA's priorities. Maintained and expanded communications

with NEA members and affiliate staff and leaders with regard to legislative and political issues.

Chargeable audited expenditures	$ 0-
Nonchargeable audited expenditures	$ 12,347,623
Total audited expenditures	$ 12,347,623

Category 3 Communicate the NEA beliefs, qualities, and services to engage members and improve target audiences' recognition of NEA through print and electronic media: Informed NEA's affiliates, leaders, members, and agency feepayers about Association policies, programs, and accomplishments through an internal network of printed publications, including *NEA TODAY* and specialized constituency periodicals. Created multi-platform to publicize and advance NEA's high-profile work. Created multimedia programs that advance the membership goals in targeted campaigns. Implement public relations activities that support NEA efforts to advocate for public education. Administered the NEA State Affiliate Advertising Assistance Grant program.

Chargeable audited expenditures	$ 478,391
Nonchargeable audited expenditures	$ 15,070,844
Total audited expenditures	$ 15,549,235

Category 4 Increase the capacity of NEA governance, members, and staff to advocate for all members through a greater use of campaign tools and resources and partner with affiliates to increase PAC participa-

tion: Conducted staff, governance, and member political organizing trainings. Increased support for NEA's legislative agenda among our members running for, or elected to, local, state, or national political offices. Provide training to leaders and members in venues for constituency groups, UniServ Managers Association, Higher Education faculty, and staff. Tracked state legislation. Increased affiliates' ability to meet PAC fundraising goals through training, capacity-building programs, and online fundraising. Supported the PAC Council and administered contributions to recommended candidates. Created and maintained a system for all state affiliates that would support regular reporting and tracking of activities. Engaged members and the public in social media to promote advocacy of NEA supported issues and/ or candidates.

Chargeable audited expenditures	$ 130,849
Nonchargeable audited expenditures	$ 2,724,409
Total audited expenditures	$ 2,855,258

DEVELOP AND SUSTAIN STRATEGIC PARTNERSHIPS

Category 1- Advance NEA's mission, vision, goals, and core values with Education International and other international organizations and partners: Managed international outreach to NEA leaders and members, international advocacy, and policy input with international bodies.

Chargeable audited expenditures ..... $ - 0-

Nonchargeable audited expenditures ..... $ 5,083,348

Total audited expenditures ..... $ 5,083,348

Category 2 Engage national, state and local partners to support effective transformation of priority schools and provide assistance to locals for partnership development: Assisted efforts to transform NEA's targeted priority schools through partnership engagement and development. Collaborated with parental involvement organizations to promote NEA's Priority Schools parental involvement efforts. Assisted affiliates requesting assistance in building state and local partnerships with the ethnic minority community that support NEA's PSC.

Chargeable audited expenditures ..... $ 17,382

Nonchargeable audited expenditures ..... $ 134,427

Total audited expenditures ..... $ 151,809

Category 3 Assist state affiliates in identifying partners and provide resources to strengthen coalitions and mobilize public policy and support for TEF: Provided technical assistance to state affiliates in identifying partners and provided resources to strengthen state-based coalitions to mobilize TEF support.

Chargeable audited expenditures ..... $ -0-

Nonchargeable audited expenditures ..... $ 176,802

Total audited expenditures ..... $ 176,802

Category 4 Partner with business and nonprofit leaders to support the Salary Campaign: Research, identify, and develop partnerships with leaders from corporations/business and nonprofit organizations who will support the state affiliates salary/living wage campaigns and monitor and report on their supportive involvement.

Chargeable audited expenditures ..... $ -0-

Nonchargeable audited expenditures ..... $ 66,991

Total audited expenditures ..... $ 66,991

Category 5 Partner with organizations to inform and advance NEA's workforce quality agenda and promote healthy teaching and learning environments: Partnered with other national organizations to enhance professional development opportunities and influence federal policy related to ESP quality. Supported and advance NEA's initiatives for green school working environments. Sustained partnerships with minority-serving institutions to increase the pool of ethnic minority educators. Developed and sustained active partnerships to advance NEA's workforce quality agenda related to teacher accreditation, preparation, licensure, professional development and other

teacher quality interests. Provided financial support to NEA Health Information Network to promote the health of students, staff. members, and a healthy environment.

Chargeable audited expenditures	$ 888.868
Nonchargeable audited expenditures	$ 253.591
Total audited expenditures	$ 1.142,459

Category 6 - Develop partnerships that advance and achieve NEA's federal and regulatory policy priorities including funding to implement these priorities: Developed and sustained partnerships with ethnic minority and civil rights organizations to engage with them on key federal education policy.

Chargeable audited expenditures	$ -0-
Nonchargeable audited expenditures	$ 133,318
Total audited expenditures	$ 133,318

Category 7 - Partner with ethnic minority, civil rights, and other organizations to advance NEA's commitment to social justice: Partnered with organizations to advance NEA's agenda related to English-language learner (ELL) students. Partnered with women, ethnic minority and GLBT organizations to advance NEA's policies on workplace equity.

Chargeable audited expenditures ..... $ 93,536

Nonchargeable audited expenditures ..... $ 160,882

Total audited expenditures ..... $ 254,418

Category 8 - Partner with business community and other organizations to ensure that public schools receive the resources required to prepare students for success in the 21st century: Identified potential opportunities to coordinate with businesses, ethnic minority leaders, and philanthropic partners to support of NEA goals.

Chargeable audited expenditures ..... $ -0-

Nonchargeable audited expenditures ..... $ 98,527

Total audited expenditures ..... $ 98,527

Category 9 Develop national partnerships that support state affiliates in building and maintaining their capacity to achieve NEA priority policy goals at the state level: Assisted state affiliates in developing partnerships with state-based education, civil rights, ethnic minority, business, and other advocacy groups to promote NEA's political program, public education priorities, and civic engagement goals.

Chargeable audited expenditures ..... $ -0-

Nonchargeable audited expenditures ..... $ 184,450

Total audited expenditures ..... $ 184,450

Category 10 Develop national partnerships that result in increased support for union membership, the recruitment and retention of NEA members, and minimized inter-union competition: Participated in the National Classified Education Support Employee Unions (NCESEU) to position NEA as the ESP industry leader servicing ESP members. Sustained partnerships, jurisdictional agreements, and joint organizing efforts with other labor organizations.

Chargeable audited expenditures ..... $ -0-

Nonchargeable audited expenditures ..... $ 76,624

Total audited expenditures ..... $ 76,624

Category 11 Develop, sustain, and leverage strategic alliances to advance NEA's core values and strategic priorities around partnerships: Monitor organizations whose priorities contradict those of NEA. Built and sustained strategic alliances with businesses, education organizations, and child advocacy, progressive advocacy, and faith-based communities to advance NEA's strategic goals. Developed strategic engagement with selected education research think tanks and academic forums focused on public school reform and closing the achievement gaps.

Chargeable audited expenditures ..... $ 0-

Nonchargeable audited expenditures ..... $ 3,869,146

Total audited expenditures ..... $ 3,869,146

BUSINESS AND GOVERNANCE OPERATIONS

Category 1 Provide business systems, legal and financial expertise to NEA and affiliates: Positioned NEA's school improvement program (KEYS) and its related products and services as a potential non-dues revenue generating resource. Collected and analyzed teacher salary data for use in NEA dues calculation. Developed earnings estimates, profiles, and membership distribution. Updated and maintained the school-rankings databases.

Chargeable audited expenditures ..... $ 116,561

Nonchargeable audited expenditures ..... $ 450,864

Total audited expenditures ..... $ 567,425

Category 4 - Sustain NEA as a high performing learning organization: Supported the alignment, integration, and sustainment of state affiliates.

Chargeable audited expenditures ..... $ 0-

Nonchargeable audited expenditures ..... $ 7,645,986

Total audited expenditures ..... $ 7,645,986

Category 7 Provide administrative and financial assistance to the national councils and constituency groups: Provided assistance to National Council of Urban Education, National Council for Higher Education, National Council for Education Support Professionals, NEA-Retired, and Student Programs.

Chargeable audited expenditures	$ -0-
Nonchargeable audited expenditures	$ 597,901
Total audited expenditures	$ 597,901

Category 9 Provide members professional development and leadership training: Provided training to ESP participants that develops minority leaders, increases awareness of diversity issues, and increases capacity to lead in adverse environments. Conducted Minority Leadership Training and Women's Leadership Training conferences and seminars. Conducted Student Leadership Conference, NEA-Retired Conference, Higher Education Emerging Leaders Academy, and the ESP Leaders for Tomorrow training. Provides information and training for Students, Retired, UniServ Managers Association, and Higher Education faculty and staff on legislative efforts. Provided support to state affiliates through the coordination of National Council of State Education Associations (NCSEA) and implementation of executive leadership training. Held annual Human and Civil Rights Awards dinner that recognizes the accomplishments and issues of women, minorities, and GLBT. Conducted annual NEA Joint Conference on Concerns of Minorities and Women and the Ethnic

Leaders Meeting to address current trends and applications relating to women and minority issues.

Chargeable audited expenditures	$ 4,603,828
Nonchargeable audited expenditures	$ 3,190,906
Total audited expenditures	$ 7,794,734

PROGRAMMATIC ACTIVITY SUMMARY

Total Programmatic Activity Chargeable Audited Expenditures	$ 97,442,217
Total Programmatic Activity Nonchargeable Audited Expenditures	$ 143,254,951
Total Programmatic Activity Expenditures	$ 240,697,168
Programmatic Activity Chargeable Percentage	40.48%
Programmatic Activity Nonchargeable Percentage	59.52%

II. SUPPORT/OVERHEAD

NEA's Support and Overhead Activities are organized into 9 Core Service Areas.[iv]

ADVOCATE AND COMMUNICATE FOR PUBLIC EDUCATION

Core Service Area # 3-3 (Tactics 3.1-3.3): Provided video and audio products for NEA departments, affiliates, and the general public. Maintained NEA Interactive, the Association's Web product for members, affiliates, and the general public. Produced media packages designed to increase public and member in-

teraction with NEA via print and the Web. Through various converged media packages, generated greater visibility among the public and membership for NEA's work. Published *RA Today* for NEA Annual Meeting and Representative Assembly (RA).

Chargeable audited expenditures	$ 1,844,850
Nonchargeable audited expenditures	$ 2,104,184
Total audited expenditures	$ 3,949,034

BUSINESS AND GOVERNANCE OPERATIONS

Core Service Area #5-1 (Tactics 1.2-1.7): Provided payment of the headquarters building mortgage (incurred in connection with building renovation to address health and safety concerns) and property taxes. Coordinated NEA's agency fee procedures. Conducted internal auditing functions. Provided accounting functions for NEA, including compliance with federal and local regulations involving NEA's status as a not-for-profit labor organization and as an employer. Administered NEA's banking and investment activities and a computer-based accounting system for its affiliates. Coordinated business management, membership information, and financial systems support for state affiliates. Provided legal and accounting services to NEA's political action committee (PAC), as well as to the PACs of some of its affiliates. Provided membership information that enables the collection of dues, and the verification of membership and analysis of membership trends. Conducted a management user group meeting that addressed topics such as accounting and income tax issues, business consol-

idations, and financial analysis tools. Provided legal assistance and representation to NEA's officers, staff, affiliates, and political action committee through the Office of General Counsel. Planned and conducted the annual meeting of attorneys representing NEA and its affiliates.

Chargeable audited expenditures	$ 8,977,529
Nonchargeable audited expenditures	$ 10,816,390
Total audited expenditures	$ 19,793,919

Core Service Area #5-2 (Tactics 2.1-2.2): Administered contracts with representatives of NEA staff unions. Developed and administered personnel policies, employee health, wellness and benefits programs, and problem identification and resolution procedures regarding relations with staff. Maintained a system for recruiting, selecting, and orienting new employees. Maintained a systematic staff professional development program. Coordinated implementation of a program assessment process to measure and evaluate the effectiveness of NEA's program, staff, and financial allocations.

Chargeable audited expenditures	$ 5,106,893
Nonchargeable audited expenditures	$ - 0-
Total audited expenditures	$ 5,106,893

Core Service Area #5-3 (Tactics 3.1-3.3): Administered the program assessment process to measure

and evaluate the effectiveness of NEA's program, staff, and financial allocations. Aligned department plans with NEA's mission and maintained the strategic management system. Provided employee wellness program. Provided for NEA's management and integration. Created and implemented staff professional development strategy. Established and implemented long-term organizational and business strategy. Implemented strategic learning system strategy.

Chargeable audited expenditures	$ 13,796,714
Nonchargeable audited expenditures	$ 20,079,443
Total audited expenditures	$ 33,876,157

Core Service Area #5-4 (Tactics 4.1-4.4): Advanced NEA's strategic intent. Facilitated the development of NEA strategy and operations. Implemented workplace culture initiative. Maintained NEA records archives.

Chargeable audited expenditures	$ 1,466,742
Nonchargeable audited expenditures	$ 346,052
Total audited expenditures	$ 1,812,794

Core Service Area #5-5 (Tactics 5.1-5.3): Supported and maintained current Web-enabled Association foundation computer applications, NEA's local area network and the wide-area networks that it shares with affiliates, NEA's Web site, computer technical support, disaster recovery and business continuity

plans, and other internal data and technology operations. Provided policy development and support for strategic, tactical, and operational planning of Association technology.

Chargeable audited expenditures	$ 8,276,964
Nonchargeable audited expenditures	$ 12,170,081
Total audited expenditures	$ 20,447,045

Core Service Area #5-6 (Tactics 6.1-6.2): Provided for administration, management, and maintenance of the property of NEA's headquarters and regional offices, including casualty and liability insurance. Administered building projects to improve infrastructure. Administered NEA's printing, graphic design, and multimedia services, as well as its procurement services, telephone services, and the receipt and distribution of mail. Provided logistical support for NEA-sponsored meetings throughout the country, and for governance and staff travel.

Chargeable audited expenditures	$ 16,366,082
Nonchargeable audited expenditures	$ 0-
Total audited expenditures	$ 16,366,082

Core Service Area #5-8 (Tactics 8.1 8.5): Provided for operation of NEA Annual Meeting, including Representative Assembly (RA). Provided support for RA Standing Committee meetings and their activities in connection with NEA policy documents. Provided for

operation of NEA Board of Directors, Executive Committee (and Executive Officers), and other governance bodies. Published organizational handbook, as well as minutes and proceedings of governance meetings. Provided governance and policy coordination in support of policymaking. reports on governance actions, communications of Association policies, and staff support for policy planning, development, and implementation by NEA officers, Executive Director, Board of Directors, Executive Committee, RA, and governance committees.

Chargeable audited expenditures ..... $ 7,835,176

Nonchargeable audited expenditures ..... $ 1,885,120

Total audited expenditures ..... $ 9,720,296

Core Service Area #5-9 (Tactic 9.7): Provided learning opportunities through the Leadership Institute that enhance NEA staffs professional skills and contribute to high performance.

Chargeable audited expenditures ..... $ 550,881

Nonchargeable audited expenditures ..... $ - 0-

Total audited expenditures ..... $ 550,881

SUPPORT/OVERHEAD SUMMARY

Total Support/Overhead Chargeable Audited Expenditures .....$ 64,221,831

Total Support/Overhead Nonchargeable Audited Expenditures	$ 47,401,270
Total Support/Overhead Audited Expenditures	$ 111,623,101

III. OVERALL ANALYSIS OF NEA AUDITED EXPENDITURES

Total Chargeable Audited Expenditures	$ 161,664,048
Total Nonchargeable Audited Expenditures	$ 190,656,221
Total Audited Expenditures	$ 352,320,269
Final Chargeable Percentage	45.89%
Final Nonchargeable Percentage	54.11%

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[i] In light of the U.S. Supreme Court's decisions in *Lehnert v. Ferris Faculty Ass'n*, 500 U.S. 507 (1991), and *Locke v. Karass*, 555 U.S. 207 (2009), which recognized that "part of a local's affiliation fee which contributes to the pool of resources potentially available to the local is assessed for the bargaining unit's protection, even if it is not actually expended on that unit in any particular membership year," NEA has allocated its Unified Legal Services Program ("ULSP") reimbursements, Tactic 4.14, on the basis of the California Teachers Association's ("CTA's") determination of the chargeable percentage of the reimbursements it received in the 2010-2011 fiscal year (20.60%). Thus, the resulting ULSP chargeable amount is $5,153,282. This figure differs from the ULSP chargeable amount used for purposes of the chargeable/nonchargeable schedule included in the NEA audit, $17,761,312, because the amount in the

audit was based upon a conservative adjustment of the average chargeable percentage of ULSP reimbursements to agency fee state affiliates for the year ended August 31, 2010. That percentage was 71%. NEA used this method because, at the time its audit was conducted, most of those state affiliates had not yet determined their fiscal year 2010-2011 chargeable percentages. In addition, for purposes of the NEA audit, Educators Employment Liability (EEL) insurance expenditures Tactic 4.13, were treated as chargeable. However, CTA does not make EEL coverage available to agency feepayers, and therefore all such expenditures ($10,683,952) have been treated as nonchargeable with regard to CTA. Thus, the resulting chargeable total for Category 4 of Student Learning and Workforce Quality is $11,860,961, as compared with $35,152,943 in the NEA audit.

[ii] In light of the decisions in *Lehnert* and *Locke*, *see* note i, NEA has allocated its UniServ grants program expenditures, part of Tactic 1.2, on the basis of the CTA's determination of the chargeable percentage of the grants it received in the 2010-2011 fiscal year (94.50%). Thus, the resulting UniServ chargeable amount is $63,168,639, rather than $58,823,706 that was used for purposes of the NEA audit. The reason for the difference between the new figure for this program and its counterpart in the NEA audit is that, at the time the audit was conducted, most of the agency fee state affiliates had not yet determined their fiscal year 2010-2011 chargeable percentages. Accordingly, for purposes of the audit, the expenditures in the UniServ grants program were allocated using a conservative adjustment of the average chargeable percentage of UniServ grants to agency

fee state affiliates for the year ended August 31, 2010 (88%).

In addition, NEA has allocated its expenditures in the Small States Foundation Program, part of Tactic 1.2, in accordance with CTA's determination of the overall chargeable percentage of its total expenditures for the 2010-2011 fiscal year (68.40%), resulting in a chargeable amount of $1,991,192, rather than $2,183,325 that was used for purposes of the NEA audit. The reason for the difference between the new figure for this program and its counterpart in the NEA audit is that, at the time the audit was conducted, most of the agency fee state affiliates had not yet determined their fiscal year 2010-2011 chargeable percentages. Accordingly, for purposes of the audit, the expenditures in the Small States Foundation program were allocated using a conservative adjustment of the average chargeable percentage of agency fee state affiliates' total expenditures for the year ended August 31, 2010 (75%).

Similarly, NEA allocated its expenditures in the Unified State Executive Director Program ("USEDP"), part of Tactic 1.2, in accordance with CTA's determination of the chargeable percentage of its executive director's salary and benefits for the 2010-2011 fiscal year (68.40%), resulting in a chargeable amount of $646,122, as compared with $689,575 that was used for purposes of the NEA audit. Again, the reason for the difference between the new figure and its counterpart in the NEA audit is that, at the time the audit was conducted, most of the agency fee state affiliates had not yet determined their fiscal year 2010-2011 percentages. Accordingly, for purposes of the audit, the expenditures in the USEDP

were allocated using a conservative adjustment of the average chargeable percentage of expenditures for the salary and benefits of agency fee state affiliate executive directors for the year ended August 31, 2010 (73%).

Finally, since the agency fee locals affiliated with CTA have allocated their 2010-11 expenditures into chargeable and nonchargeable categories, NEA is allocating its expenditures in the Local Presidents Release Program, part of Tactic 1.2, by the average chargeable percentage (80.00%) reported by those locals, resulting in a chargeable amount of $389,892, as compared with $385,018 that was used for purposes of the NEA audit. The reason for the difference between the new figure for this program and its counterpart in the NEA audit is that, at the time the audit was conducted, most of the agency fee affiliates had not yet determined their fiscal year 2010-2011 chargeable percentages. Accordingly, for purposes of the audit, the expenditures in the Local Presidents Release Program were allocated using a conservative adjustment of the average chargeable percentage of agency fee local affiliates' total expenditures for the fiscal year ended August 31, 2010 (79%).

As a result of these modifications to the allocation of expenditures in the UniServ grants, Small States Foundation, USEDP, and Local Presidents Release Programs, the total chargeable amount for Category 1 of Affiliate Programs and Services that Increase Membership is $69,697,074, as compared with $65,582,853 in the NEA audit.

[iii] In light of the decisions in *Lehnert* and *Locke*, *see* note i, NEA has allocated its expenditures in the Af-

filiate Financial Assistance Program, Tactic 2.1, in accordance with CTA's determination of the overall chargeable percentage of its total expenditures for the 2010-11 fiscal year (68.40%), resulting in a chargeable amount of $1,181,999, rather than the amount of $1.296,052 that was used for purposes of the NEA audit. The reason for the difference between the new figure for this program and its counterpart in the NEA audit is that, at the time the audit was conducted, most of the agency fee state affiliates had not yet determined their fiscal year 2010-2011 chargeable percentages. Accordingly, for purposes of the audit, the expenditures in the Affiliate Financial Assistance Program were allocated using a conservative adjustment of the average chargeable percentage of agency fee state affiliates' total expenditures for the year ended August 31, 2010 (75%). As a result of these modifications to the allocation of expenditures in the Affiliate Financial Assistance Program, the total chargeable amount for Category 2 of Affiliate Programs and Services that Increase Membership is $1,181,999, as compared with $1,296,052 in the NEA audit.

[iv] As a result of the adjustments in the programmatic activities, *see* notes i through iii, the Programmatic Activity Chargeable Percentage is 40.48% as compared with 48.5% that was in the NEA audit. Therefore, for purposes of these calculations, the figure 40.48% was used to allocate certain expenditures in the Support/Overhead activities in accordance with the procedure discussed in footnote 3 on pages 44-46 of the NEA audit.

TOP TEN REASONS WHY YOU SHOULD VOTE NO ON PROP. 75!

10 *Prop. 75 is an invasion of privacy.* The Proposition requires individual workers to report their political activity to their boss. This violates the worker's right to confidentiality.

9 *Prop. 75 silences our voice.* Prop. 75 will greatly weaken our ability to advocate for teachers and children. CTA will have fewer resources to fight for the things our members care most about – a decent wage, good health benefits, fair pension, and retirement plans.

8 *Prop. 75 gives big business too much power.* Prop. 75 restricts how unions can collect political funds from its members, yet there are no restrictions on big business to spend corporate dollars. Big business already outspends unions by more than 24 to 1.

7 *Prop. 75 is unnecessary.* Members of CTA already have the ability to redirect that portion of their dues spent on political activity.

6 *Prop. 75 is unfair.* Prop. 75 creates new rules that only apply to CTA and other public employees – not to corporations or other special interests.

5 *Prop. 75 means government intrusion.* We do not need the government to tell us how to collect and spend our dues dollars. CTA operates by majority vote. If CTA members do not agree with CTA's expenditures, the membership can elect new leaders.

4 *Prop. 75 is an attempt to fool the California electorate.* This initiative is disguised as a campaign finance reform.

3 *Prop. 75 is an attack on the working men and women of California.* The initiative is an attempt to silence the voice of the working men and women of California by severely crippling the union's ability to participate in the political process.

2 *Prop. 75 creates another bureaucracy.* If this initiative were to pass, there will need to be some bureaucracy to handle the paperwork required by the proposition. Unions, employers, and the state will need to manage the ***annual*** documents that must be filed.

1 *Prop. 75 is the first step toward elimination of teacher rights in California.* Prop. 75 proponents would like to eliminate teacher tenure, employee due process, collective bargaining, reduce pension benefits, create voucher schools, and more.

- TEACHERS NEED A VOICE IN SACRAMENTO AND A VOICE IN FIGHTING HARMFUL INITIATIVES.
- PLEASE VOTE NO ON PROPOSITION 75.
- OUR FUTURE IS AT STAKE!

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

REBECCA FRIEDRICHS, et al., Plaintiffs, v. CALIFORNIA TEACHERS ASSOCIATION, et al., Defendants.	Case No. 8:13-cv-00676-JST-CW **PLAINTIFFS' NOTICE OF MOTION, MOTION FOR JUDGMENT ON THE PLEADINGS, AND MEMORANDUM OF POINTS & AUTHORITIES IN SUPPORT OF MOTION FOR JUDGMENT ON THE PLEADINGS** Judge: Hon. Josephine Staton Tucker Hearing Date: August 9, 2013 Time: 2:30 p.m. Courtroom: 10A Trial Date: None Set

* * *

III. None Of The Factual Issues That Defendants Claim Need Clarifying Are Material.

Defendants apparently want to linger in this Court so that they can litigate legally irrelevant factual disputes, as evidenced by the various issues that their Application claims are "incomplete." According to Defendants, they will be "severe[ly] prejudice[d]" if unable to challenge the inferences that Plaintiffs have raised. Defs. Application at 2. In making this

assertion, Defendants obviously misunderstand their contention—and Plaintiffs' concession—that Plaintiffs have failed to state a claim that is colorable at this time in this Court. *See* Answer at 24. A judgment on *that* basis could not possibly prejudice the Defendants, as the facts alleged by Plaintiffs would merely be *assumed*—rather than *resolved*—and then *only* for purposes of *that* pleadings-based judgment. Any of these factual disputes would become material only if, on appeal, Plaintiffs succeeded in establishing that their claims *are* cognizable because *Abood* and *Mitchell* are no longer good law. And in that event, the parties will have a full and fair opportunity to litigate all the factual issues they want on remand, when it would become this Court's duty to determine whether Plaintiffs have proven facts entitling them to relief in a post-*Abood* and post-*Mitchell* world. But at *this* stage, *none* of the factual issues that Defendants seek to litigate have *any* legal relevance.

A survey of the specific factual issues raised in Defendants' Application confirms the point. *First*, Defendants argue that not *all* positions they take in connection with collective-bargaining are political, and that they should be able to depose the Plaintiffs to find out which positions, specifically, those Plaintiffs object to. Defs. Application at 3-4. But Defendants have already admitted that "in the course of collective bargaining, they sometimes take positions that may be viewed as politically controversial or may be inconsistent with the beliefs of some teachers." Answer at ¶ 7. Given Plaintiffs' claim that it violates the First Amendment for Defendants to take *any* money from nonmembers who object to *any* of the Defendants' advocacy, it does not matter whether a

nonmember objects to 1% or 99% of Defendants' positions (or simply does not want his money taken for any reason). There are no partial violations of the First Amendment.

There is, therefore, no merit to Defendants' contention that Plaintiffs' affidavits are somehow deficient insofar as they contain a "boilerplate" statement of each Plaintiff's "object[ion] to many of the public-policy positions that the Unions advocate." *See* Defs. Application at 4 and n.5 (quoting affidavits). The only facts that matter for Plaintiffs' claims are the undisputable facts that Plaintiffs—all of whom have chosen not to join the Union and all of whom have opted-out of paying for non-chargeable offenses—(1) have their money confiscated to pay for collective-bargaining, an act that the Defendants admit sometimes involves "politically controversial" actions, and (2) must annually opt out of paying for "non-chargeable" activities that Defendants themselves admit are political activities not germane to collective-bargaining. Thus, it is legally irrelevant *which* policy positions Plaintiffs object to, and the Defendants do not even pretend otherwise. Moreover and again, if the appellate courts determine that Plaintiffs' legal theory is overbroad—such that detailing which policy positions an individual rejects somehow becomes relevant—those factual issues will *then* be fully contestable on remand, without any prejudice to Defendants.

Second, Defendants dispute Plaintiffs' suggestion that Defendants use certain benefits to entice individuals into becoming union members. Defs. App. at 5. But again, any dispute about whether the Defendants use such benefits as enticements is *immaterial*

from both sides' perspectives, and, moreover, would *never be resolved* in a judgment on the pleadings. Plaintiffs' contention is that compelling the payment of agency fees by *nonmembers* is always unconstitutional *regardless* of the collateral issue of whether the Unions game the collective-bargaining process in order to induce membership. And under (currently) binding precedent, the Court must reject Plaintiffs' claim *regardless* of whether the Unions engage in this sort of conduct.[1]

Third, Defendants quarrel with Plaintiffs' suggestion that CTA's and NEA's expenditures are not germane to collective-bargaining activities. But even if Defendants are correct, Plaintiffs' claim is that it is unconstitutional to require nonmembers to subsidize *any* union expenditures by *any* public-employee union—just as it is unconstitutional to require that nonmembers subsidize the expenditures of local unions, whose role in collective-bargaining Plaintiffs have not disputed. This dispute over *how much* CTA and NEA spending goes to collective-bargaining is immaterial to resolving Plaintiffs' claims.

Finally, Defendants challenge Plaintiffs' claim that the opt-out regime for nonchargeable expenses bur-

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[1] In any event, Plaintiffs note parenthetically that there is no dispute about the underlying *facts*, just about the *inferences* regarding Defendants' motives to be drawn from those facts. That is so because Defendants concede that nonmembers are "not eligible for certain benefits provided through the Unions"; that "teachers who 'opt out' are unable to obtain the disability insurance available to members"; and that "Union membership benefits are available to any member of the bargaining unit who exercises his or her free choice to join and maintain membership in the Union." Answer at ¶ 64.

dens nonmembers and creates a risk that individuals will accidentally fail to prevent the Defendant Unions from spending their money on admittedly political activities those individuals do not support. But Defendants, again, completely overlook the *legal* contention Plaintiffs have raised, which is that the entire concept of requiring Plaintiffs to opt out—whether or not doing so is burdensome, and whether or not any nonmembers have erroneously failed to opt out in the past—violates the First Amendment by placing the onus of action on the party whose constitutional rights are at stake. Defendants admit that Plaintiffs are required to annually "opt out" of paying for Defendants' nonchargeable expenses. Answer at ¶ 62. And Plaintiffs admit that under *Mitchell*, those facts do not entitle them to relief. That is all that matters.

The most sensible course, therefore, is to dispense with time-consuming and immaterial discovery on irrelevant factual issues, and instead promptly enter judgment on the pleadings for Defendants, enabling Plaintiffs to take their *legal* argument to the appellate courts with the authority to vindicate it.

In short, Defendants cannot have it both ways: they cannot argue that Plaintiffs' allegations fail to state a claim even if those allegations are true, while at the same time quibbling over which facts are actually true. Defendants will have a full and fair opportunity to litigate the correctness of Plaintiffs allegations *if and when* Plaintiffs prevail on appeal. But Defendants should not be permitted to delay this proceeding—and impose additional irreparable harm on Plaintiffs—by kicking up dust over factual issues

that cannot possibly matter at this stage of the litigation.[2]

CONCLUSION

While Plaintiffs believe that *Abood* and *Mitchell* should be and will be overturned on appeal, they acknowledge that those decisions are currently binding on this Court. Defendants have expressed concern about prejudice resulting from considering the evidence Plaintiffs have filed. Plaintiffs therefore respectfully request that the Court render that evidence irrelevant by entering judgment on the pleadings for Defendants, as Defendants have effectively requested in their Answer. Because Plaintiffs suffer additional irreparable harm every day that this unconstitutional regime continues, they respectfully request that the Court enter judgment as soon as is practicable.

Dated: July 9, 2013

Jones Day

By: */s/ John A. Vogt*
John A. Vogt

* * *

[2] In any event, as discussed in the Application, Plaintiffs' proposed time-frame gives Defendants ample time and opportunity to present whatever "evidence" they desire about *their* activities—even though Defendants admit such evidence would be immaterial—without causing additional delay for the purpose of taking extraneous discovery from Plaintiffs.

* * *

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

REBECCA FRIEDRICHS, *et al.*, Plaintiffs, vs. CALIFORNIA TEACHERS ASSOCIATION, *et al.*, Defendants.	Case No. SACV13-676 JST (CWx) **UNION DEFENDANTS' AMENDED ANSWER** Judge: Hon. Josephine S. Tucker Courtroom: 10-042/10A

FIRST DEFENSE

Defendants California Teachers Association ("CTA"), National Education Association ("NEA"), Savanna District Teachers Association, Saddleback Valley Educators Association, Orange Unified Education Association, Inc., Kern High School Teachers Association, National Education Association-Jurupa, Santa Ana Educators Association, Inc., Teachers Association of Norwalk-La Mirada Area, Sanger Unified Teachers Association, Associated Chino Teachers, and San Luis Obispo County Education Association (collectively, "the Unions") answer each respective paragraph of the Plaintiffs' Complaint as follows:

1. Paragraph 1 of the Complaint asserts only legal conclusions, which do not require a response. To the extent Paragraph 1 of the Complaint quotes the Supreme Court's decision in *Knox v. SEIU Local 1000*, 132 S. Ct. 2277 (2012), the Unions admit that the quoted language is contained in the decision, but

the Unions aver that the quoted language is taken out of a context that recognizes that "agency shop" arrangements have repeatedly been held to be constitutionally permissible. To the extent Paragraph 1 of the Complaint makes any factual allegations, they are denied.

2. In response to Paragraph 2 of the Complaint, the Unions admit that the State of California and its public school districts, in cooperation with the Defendants, maintain an "agency shop" arrangement that may require nonmember public school teachers to pay an agency fee as a condition of employment, but deny that such an arrangement injures public school teachers. The Unions admit that where implemented this agency-shop arrangement is established and maintained under color of State law, the California Educational Employment Relations Act ("EERA"), Cal. Gov't Code § 3540 et seq.; that each year the Unions allocate expenditures as chargeable and nonchargeable to objecting nonmember feepayers; and that nonmember teachers are required to contribute to the Unions' "chargeable" expenditures, unless they have a genuine religious belief that prohibits them from supporting a labor organization although the Unions aver that the percentage of the agency fee that is paid by objecting nonmembers is set lower than the actual proportion of chargeable expenditures. The Unions admit that nonmember teachers who wish to avoid contributing to a union's "non-chargeable" expenditures are generally required to complete and return a simple one-page form noting their objection, which form is provided by CTA annually to all non-members. Except as thus admitted, the

allegations in Paragraph 2 of the Complaint are denied.

3. The Unions deny the allegations in Paragraph 3 of the Complaint and aver that, in order to "opt out," objecting nonmember feepayers need only complete and return a simple one-page form that CTA provides to them annually or, if they prefer, send in a letter or postcard expressing their intent to object to and/or challenge the Union's calculation of the chargeable amount. (A true copy of the Agency Fee Rebate/Arbitration Request Form for the 2012-13 School Year is attached to this Answer as Exhibit A.)

4. In response to Paragraph 4 of the Complaint, the Unions admit that union-security arrangements require objecting feepayers to pay the chargeable portion of the fee, but aver that the portion of the fee that is paid by objecting nonmembers is set lower than the actual proportion of chargeable expenditures. The Unions deny that "any teacher who objects to the Unions' classification of certain expenditures as 'chargeable' must bear the additional burden and expense of filing a legal challenge;" the Unions aver that such a teacher may simply check a box on the form attached hereto as Exhibit A to initiate the process of having an impartial decisionmaker determine whether the Unions have properly calculated their chargeable expenditures, and the Unions themselves bear the entire cost and burden of that proceeding, in which objecting feepayers are not required to adduce evidence, lodge particular objections, or even be present, and it is the Unions' burden in the proceeding to affirmatively establish the validity of the expenditures the Unions classified as chargeable. Except as

thus admitted, the allegations in Paragraph 4 of the Complaint are denied.

5. Paragraph 5 of the Complaint asserts only legal conclusions, which do not require a response. To the extent Paragraph 5 of the Complaint makes any factual allegations, they are denied.

6. Paragraph 6 of the Complaint asserts only legal conclusions, which do not require a response. To the extent Paragraph 6 of the Complaint makes any factual allegations, they are denied.

7. In response to paragraph 7 of the Complaint, the Unions deny the allegation that California's agency shop "does not serve the interests of all public school teachers," and that "'seniority' protections and other employment protections advocated by unions benefit some teachers at the expense of other teachers who would fare better under an alternative system." The Unions admit that, in the course of collective bargaining, they sometimes take positions that may be viewed as politically controversial or may be inconsistent with the beliefs of some teachers, as may be the case with collectively-bargained provisions on teacher evaluations or collectively-bargained pay scales that accord with the requirements of the California Education Code. The Unions specifically deny that such positions include bargaining provisions that would require increased State spending or that are "against important educational reforms." The Unions aver that the principle of Education Code preemption under California law narrowly restricts their ability to bargain over the vast majority of the numerous comprehensive statutory provisions governing the organization, operation, and funding of the

State's public schools for grades K-14. The Unions further aver that although they may take positions on such matters from time to time, and some of those positions may be viewed by some persons as controversial, such positions are not advanced in the collective bargaining process, and all Union expenditures in support of them are classified as nonchargeable to objecting nonmembers. The Unions further aver that other positions they may take from time to time on social and "political" matters less directly related to public education likewise are not advanced in the collective bargaining process and all Union expenditures in support of them are classified as nonchargeable. The remaining allegations in Paragraph 7 of the Complaint are too vague to require a response, and to the extent those allegations require a response, they are denied.

8. In response to Paragraph 8 of the Complaint, the Unions deny that declaring agency fees unconstitutional would not undermine the Unions' authority or entitlement to engage in collective bargaining. The Unions further aver that, although they would remain the exclusive collective-bargaining agents in each school district so long as they retain the support of a majority of teachers in those districts, elimination of agency fees would mean that the costs of carrying out the Unions' duty as exclusive representative would no longer be "distribute[d] fairly . . . among those who benefit" and there would be an "incentive [for] employees . . . to become 'free riders'—to refuse to contribute to the union while obtaining benefits of union representation that necessarily accrue to all employees." *Abood v. Detroit Bd. of Educ.*, 431 U.S. 209, 222 (1977). The remaining allegations in

Paragraph 8 of the Complaint are too vague to require a response, and to the extent those allegations require a response, they are denied.

9. Paragraph 9 of the Complaint asserts only legal conclusions, which do not require a response. To the extent Paragraph 9 of the Complaint makes any factual allegations, they are denied.

10. Paragraph 10 of the Complaint asserts only legal conclusions, which do not require a response. To the extent Paragraph 10 of the Complaint makes any factual allegations, they are denied.

11. In response to Paragraph 11 of the Complaint, the Unions admit that Plaintiff Friedrichs is a public school teacher in the Savanna School District, that she resigned her union membership, and that she has opted out of paying the non-chargeable portion of the agency fees. The Unions are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 11 of the Complaint and on that basis, deny them.

12. In response to Paragraph 12 of the Complaint, the Unions admit that Plaintiff Wilford is a public school teacher in California, that he is currently employed by the Saddleback Valley School District, that he resigned his union membership, and that he has opted out of paying the non-chargeable portion of the agency fees every year since 2009. The Unions are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 12 of the Complaint and on that basis, deny them.

13. In response to Paragraph 13 of the Complaint, the Unions admit that Plaintiff Figueroa is a public

school teacher in the Orange Unified School District, that she resigned her union membership, and that she has opted out of paying the non-chargeable portion of the agency fees every year since 2008. The Unions are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 13 of the Complaint and on that basis, deny them.

14. In response to Paragraph 14 of the Complaint, the Unions admit that Plaintiff White is a public school teacher in the Kern High School District, that he resigned his union membership, and that he has opted out of paying the non-chargeable portion of the agency fees. The Unions are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 14 of the Complaint and on that basis, deny them.

15. In response to Paragraph 15 of the Complaint, the Unions admit that Plaintiff Roughton is a public school teacher in the Jurupa Unified School District, that he resigned his union membership, and that he has opted out of paying the non-chargeable portion of the agency fees. The Unions are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 15 of the Complaint and on that basis, deny them.

16. In response to Paragraph 16 of the Complaint, the Unions admit that Plaintiff Searcy is a public school teacher in the Santa Ana Unified School District, that she resigned her union membership, and that she has opted out of paying the non-chargeable portion of the agency fees. The Unions are without sufficient knowledge or information to form a belief

as to the truth of the remaining allegations in Paragraph 16 of the Complaint and on that basis, deny them.

17. In response to Paragraph 17 of the Complaint, the Unions admit that Plaintiff Manso has taught in the Norwalk-La Mirada Unified School District, that he resigned his union membership, and that he has opted out of paying the non-chargeable portion of the agency fees. The Unions are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 17 of the Complaint and on that basis, deny them.

18. In response to Paragraph 18 of the Complaint, the Unions admit that Plaintiff Elrich is a public school teacher in California, that he is a teacher in the Sanger Unified School District, that he resigned his union membership, and that he opted out of paying the non-chargeable portion of the agency fees. The Unions are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 18 of the Complaint and on that basis, deny them.

19. In response to Paragraph 19 of the Complaint, the Unions admit that Plaintiff Cuen is a public school teacher in California, that she is a teacher in the Chino Valley Unified School District, that she resigned her union membership, and that she has opted out of paying the non-chargeable portion of the agency fees. The Unions are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 19 of the Complaint and on that basis, deny them.

20. In response to Paragraph 20 of the Complaint, the Unions admit that Plaintiff Zavala is a public school teacher in California, that she teaches in San Luis Obispo County, and that she resigned her union membership. The Unions further admit that Plaintiff Zavala is a religious objector under Cal. Gov't Code § 3546.3, and that she submitted a letter in order to confirm her status as a religious objector. The Unions deny that Plaintiff Zavala "had to engage in protracted e-mail correspondence with union and district officials to ensure that her objections were processed." The Unions admit that Ms. Zavala was required to donate the full amount of the agency fee to a non-religious, non-labor organization charity, but deny that the three charities specified in the collective-bargaining agreement are "State-approved." The Unions deny that "[b]ut for California's 'agency shop' arrangement, Mrs. Zavala would not pay fees to or otherwise subsidize the teachers' union" because, pursuant to her religious objection, Mrs. Zavala does not "pay fees to or otherwise subsidize the teachers' union," even given the existence of "California's agency shop arrangement." The Unions are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 20 of the Complaint and on that basis, deny them.

21. In response to Paragraph 21 of the Complaint, the Unions deny that their "conduct pursuant to the State's agency-shop laws has the effect of creating a drain on CEAI's resources." The Unions are without sufficient knowledge or information to form a belief as to the truth of the remaining allegations in Paragraph 21 of the Complaint and on that basis, deny them.

22. In response to Paragraph 22 of the Complaint, the Unions admit that NEA is the largest teachers' union in the United States and one of the largest public-sector unions; that it receives a share of the agency fees from Plaintiffs (other than Plaintiffs Zavala and CEAI) and other public-school teachers under California's agency-shop laws; that it has annual revenues of over $400 million per year; and that it participates in political activities at the national, state, and local levels. The Unions deny any remaining allegations in Paragraph 22 of the Complaint.

23. In response to Paragraph 23 of the Complaint, the Unions admit that CTA is a state affiliate of NEA; that it is the largest teachers' union in California and one of the largest public-employee unions in the United States; that it receives a share of the agency fees from Plaintiffs (other than Plaintiffs Zavala and CEAI) and other public-school teachers under California's agency-shop laws; that it has annual revenues of over $175 million per year; and that it is a participant in California politics. The Unions deny any remaining allegations in Paragraph 23 of the Complaint.

24. The Unions admit the allegations in Paragraph 24 of the Complaint.

25. The Unions admit the allegations in Paragraph 25 of the Complaint.

26. The Unions admit the allegations in Paragraph 26 of the Complaint.

27 The Unions admit the allegations in Paragraph 27 of the Complaint.

28. The Unions admit the allegations in Paragraph 28 of the Complaint.

29. The Unions admit the allegations in Paragraph 29 of the Complaint.

30. The Unions admit the allegations in Paragraph 30 of the Complaint.

31. The Unions admit the allegations in Paragraph 31 of the Complaint.

32. The Unions admit the allegations in Paragraph 32 of the Complaint.

33. The Unions admit the allegations in Paragraph 33 of the Complaint.

34. The Unions admit the allegations in Paragraph 34 of the Complaint.

35. The Unions admit the allegations in Paragraph 35 of the Complaint.

36. The Unions admit the allegations in Paragraph 36 of the Complaint.

37. The Unions admit the allegations in Paragraph 37 of the Complaint.

38. The Unions admit the allegations in Paragraph 38 of the Complaint.

39. The Unions admit the allegations in Paragraph 39 of the Complaint.

40. The Unions admit the allegations in Paragraph 40 of the Complaint.

41. The Unions admit the allegations in Paragraph 41 of the Complaint.

42. The Unions admit the allegations in Paragraph 42 of the Complaint.

43. The Unions admit the allegations in Paragraph 43 of the Complaint.

44. In response to Paragraph 44 of the Complaint, the Unions admit that Defendant Julian D. Crocker is the superintendent of the San Luis Obispo County Office of Education, but deny that he "is the executive officer that implements the deduction of agency fees from the paychecks of Plaintiff Irene Zavala" because, by her own admission, Plaintiff Zavala does not have an agency fee deducted from her paychecks.

45. In response to Paragraph 45 of the Complaint, the Unions admit that this paragraph presents Plaintiffs' characterization of the claims in the Complaint. The Unions deny that they acted under color of state law to deprive any Plaintiffs of rights, privileges, or immunities secured by the United States Constitution. To the extent that Paragraph 45 of Complaint states legal conclusions, such conclusions do not require a response, and to the extent a response is required, any remaining allegations in Paragraph 45 of the Complaint are denied.

46. In response to Paragraph 46 of the Complaint, the Unions admit that this Court has subject-matter jurisdiction over this action under 28 U.S.C. §§ 1331 and 1343(a)(3)-(4) as to the First Count of the Complaint by Plaintiffs Friedrichs, Wilford, Figueroa, White, Roughton, Searcy, Manso, Elrich, Cuen, and Zavala, and as to the Second Count of the Complaint by Plaintiffs Friedrichs, Wilford, Figueroa, White, Roughton, Searcy, Manso, Elrich, and Cuen. The Unions deny that this Court has subject-matter jurisdiction over this action as to the First Count of the Complaint by Plaintiff CEAI and as to the Second Count of the Complaint by Plaintiffs Zavala and CEAI. The Unions deny that declaratory relief is au-

thorized by 28 U.S.C. §§ 2201 and 2202 and Federal Rule of Civil Procedure 57 in this action.

47. The Unions admit the allegations in Paragraph 47 of the Complaint.

48. In response to Paragraph 48 of the Complaint, the Unions admit that there is an actual, justiciable controversy as to the First Count of the Complaint by Plaintiffs Friedrichs, Wilford, Figueroa, White, Roughton, Searcy, Manso, Elrich, Cuen, and Zavala, and as to the Second Count of the Complaint by Plaintiffs Friedrichs, Wilford, Figueroa, White, Roughton, Searcy, Manso, Elrich, and Cuen. The Unions deny that there is an actual, justiciable controversy as to the First Count of the Complaint by Plaintiff CEAI and as to the Second Count of the Complaint by Plaintiffs Zavala and CEAI. The Unions deny the remaining allegations in Paragraph 48.

49. Paragraph 49 of the Complaint asserts only legal conclusions, which do not require a response. To the extent Paragraph 49 of the Complaint makes any factual allegations, they are denied.

50. The Unions admit the allegations in Paragraph 50 of the Complaint.

51. In response to Paragraph 51 of the Complaint, the Unions admit that Cal. Gov't Code § 3543.2(a) defines the "terms and conditions of employment" for collective bargaining, and that certain of those terms and conditions are identified in the second sentence of Paragraph 51. The Unions deny that those terms and conditions of employment "include a wide range of issues at the heart of education policy." The remaining allegations in Paragraph 51 are too vague to

require a response, and to the extent those allegations require a response, they are denied.

52. The Unions admit the allegations set forth in all but the final sentence of in Paragraph 52 of the Complaint, except to the extent that those allegations fail to recognize the exception to the agency fee obligation for religious objectors. Further, the Unions aver that, notwithstanding any provision of California law that allows public-sector unions to charge objecting feepayers for certainly lobbying activities, CTA and its local affiliates do not charge objecting feepayers for "[l]obbying and political efforts before state legislatures and state administrative agencies," Dkt. #1, Ex. C to the Complaint at pp. 33-34, even where such efforts have a direct and positive impact on represented employees' terms and conditions of employment, as in the case of CTA's efforts in support of Proposition 30 in 2012, the passage of which greatly increased public school funding. NEA likewise does not charge objecting feepayers for "lobbying and political efforts before state legislatures, state administrative agencies, Congress, federal agencies or other executive branch officials, and ballot initiatives . . . unless any of [these activities] are specifically related to ratification or implementation of a collective bargaining agreement," *id.*, Ex. D. to the Complaint at p. 42. As to the final sentence of paragraph 52, the Unions admit that the agency fee paid by non-objectors "is typically equivalent to the amount of union dues," but deny that allegation as to the amount paid by objectors.

53. The Unions admit the allegations in Paragraph 53 of the Complaint, except to the extent that

those allegations fail to recognize the exception to the agency fee obligation for religious objectors.

54. The Unions admit the allegations in Paragraph 54 of the Complaint, except to the extent that those allegations fail to recognize that in the case of unions with annual revenues of less than $50.000, the calculation of agency fees need not be based on, and the "*Hudson*" notice need not include, an audit of the union's finances, *see* 8 Cal. Code Regs. § 32992(b)(2), and also to the extent that those allegations fail to recognize that in lieu of the audited financial report, a union may include in its "*Hudson*" notice "a certification from the independent auditor that the summarized chargeable and nonchargeable expenditures contained in the notice have been audited and correctly reproduced from the audited report." *Id.* at § 32992(b)(1).

55. In response to the allegations in Paragraph 55 of the Complaint, the Unions admit that an agency fee payer who disagrees with the original determination of the chargeable portion of the agency fee may, simply by checking a box on the form attached hereto as Exhibit A, initiate an impartial decisionmaker's prompt determination of whether the Unions have properly calculated their chargeable expenditures. The Unions further admit that such an impartial decisionmaker may be selected by either the American Arbitration Association or the California State Mediation and Conciliation Service, and the Unions aver that the Unions themselves bear the entire cost of the impartial decisionmaker proceeding; that objecting feepayers are not required to adduce evidence. lodge particular objections, or even be present for the proceeding; and that it is the Unions' burden in the

proceeding to affirmatively establish the validity of the expenditures the Unions have classified as chargeable. The remaining allegations in Paragraph 55 of the Complaint are too vague to require a response, and to the extent those allegations require a response, they are denied.

56. In response to Paragraph 56 of the Complaint, the Unions admit that Defendant local unions have been designated the exclusive bargaining agents for the school districts in which Plaintiffs (other than CEAI) are employed. The remaining allegations in Paragraph 56 are legal conclusions to which no response is required. To the extent the remaining allegations in Paragraph 56 require a response, they are denied.

57. In response to Paragraph 57 of the Complaint, the Unions admit that Defendant local unions have entered into agency-shop agreements with the school districts where Plaintiffs (other than CEAI) are employed as teachers; that these agreements include provisions requiring that all teachers in these districts either join the unions, pay agency fees to the unions, or qualify as religious fee objectors; and that these agreements also provide that teachers must contribute to "non-chargeable" union expenditures unless they submit a timely objection or qualify as religious objectors. The remaining allegations in Paragraph 57 are legal conclusions to which no response is required. To the extent the remaining allegations in Paragraph 57 require a response, they are denied.

58. The Unions admit the allegations in Paragraph 58 of the Complaint, except to the extent that those allegations fail to recognize the exception to the

agency fee obligation for religious objectors, and also to the extent that those allegations fail to recognize that in some cases, the school district sends deducted amounts to CTA, which then distributes part of the fees to the local Union and to NEA.

59. In response to Paragraph 59 of the Complaint, the Unions deny that the NEA affiliate fees are determined on a nationwide basis. The Unions aver that NEA makes a state-specific calculation of its affiliate fee for each state in which it collects agency fees. The Unions admit the remaining allegations in Paragraph 59.

60. In response to Paragraph 60 of the Complaint, the Unions deny that the NEA affiliate fees are determined on a nationwide basis. The Unions aver that NEA makes a state-specific calculation of its affiliate fee for each state in which it collects agency fees. The Unions admit the remaining allegations in Paragraph 60.

61. The Unions admit the allegations in Paragraph 61 of the Complaint.

62. In response to Paragraph 62 of the Complaint, the Unions admits that teachers who are not union members receive an annual "*Hudson*" notice each fall, giving them a breakdown of the "chargeable" and "non-chargeable" portion of the agency fee; that, upon receiving this notice, teachers who are not union members have the option of submitting a single-page form provided by CTA or other notice within approximately six weeks indicating that they request a rebate of the nonchargeable portion of the fee (*see* Ex. A); that teachers who receive the "*Hudson*" notice also have the option, by checking a box on the form, to

initiate a proceeding before an independent decisionmaker in which the Union is required to establish the correctness of its calculation of the "chargeable" and "non-chargeable" portions of the agency fee (*id.*); and that, for each teacher who timely requests a rebate, the union either refrains from collecting the non-chargeable portion of the agency fee or sends, in advance, a rebate check equal to the non-chargeable portion of the annual agency fee. To the extent that the allegations in the final sentence of Paragraph 62 regarding an "option to file a legal challenge" refer to a procedure other than the independent decisionmaker procedure noted above, the allegations assert only legal conclusions which do not require a response. The Unions deny any remaining allegations in Paragraph 62.

63. The Unions admit the allegations in Paragraph 63 of the Complaint, except the allegation that the total amount of annual dues generally exceeds $1,000 per teacher, which allegation the Unions deny.

64. In response to Paragraph 64 of the Complaint, the Unions admit that, in order to participate in the "opt out" process, the teacher by definition is not a member of the union and therefore is not eligible for certain benefits provided through the Unions for which only members are eligible. The Unions further admit that teachers who "opt out" are unable to obtain the disability insurance available to members, but deny that such benefits are "part of the[] employment package" for either members or nonmembers. The Unions further deny the allegation that benefits available to members through the Unions "are typically (and would likely otherwise be) obtain-

able through one's employer," and the Unions aver that they have never adopted as a members-only benefit a benefit they believed could feasibly be obtained from the employer. The Unions further aver that CTA provides its members with the option of disability insurance because, under California law, school districts are not required to participate in the State's disability insurance program, and most school districts accordingly opt out of that program. The Unions admit that the CTA Voluntary Disability Plan provides teachers on maternity leave with monies approximating their regular salary, and that most school districts provide only any applicable differential pay during maternity leave. The Unions further aver that any bargaining unit members who choose not to join the Union remain free to purchase their own disability insurance or any other form of insurance on the private market. The Unions further aver that objecting feepayers are not charged for any expenses related to members-only benefits, such as CTA's Voluntary Disability Plan. *See* Dkt. #1, Ex. C to the Complaint at p. 34 (noting that CTA treats "[m]embers-only benefits" as nonchargeable); *id.*, Ex. D at p. 43 (same with regard to NEA). The Unions further aver that Union membership benefits are available to any member of the bargaining unit who exercises his or her free choice to join and maintain membership in the Union. Except as thus admitted. the Unions deny the allegations in Paragraph 64 of the Complaint.

65. In response to Paragraph 65 of the Complaint, the Unions admit that the language quoted in the allegation from Exhibit B of the Complaint does appear in the referenced letter, but aver that the quoted pas-

sage does not fully convey the letter's message. The Unions further admit that they sometimes encourage nonmembers to join by drawing attention to the fact that members "are eligible for income protection [in the event of a disability] through" CTA's Voluntary Disability Plan. The Unions deny any remaining allegations in Paragraph 65.

66. In response to Paragraph 66 of the Complaint, the Unions state that the phrase "these 'agency shop' arrangements" is vague, and the Unions therefore deny the allegations in Paragraph 66 The Unions further deny that Plaintiff Zavala, who is a religious objector, is subject to any legal obligation to pay agency fees, as long as she maintains her status as a religious objector.

67. In response to Paragraph 67 of the Complaint, the Unions admit that, in recent years, NEA has determined approximately 40 percent of its expenditures to be "chargeable" and that CTA has determined approximately 65 percent of its expenditures to be "chargeable." The Unions further admit that CTA's local affiliates "often use the same chargeability percentage as CTA." In response to the allegations in the final sentence of Paragraph 67, the Unions aver that for the defendant local unions, the proportion of expenditures devoted to chargeable activities has consistently been at least as great as for CTA, that any local union that opts to use the same chargeability percentage as CTA is requested to devote no more than 20 percent of its expenditures to nonchargeable matters and that by adopting the CTA chargeability percentage even when their own chargeable percentage is often much greater CTA local chapters charge objecting nonmembers considera-

bly less in agency fees than they lawfully may. Except as thus admitted, the Unions deny the allegations in Paragraph 67.

68. The Unions admit the allegations in Paragraph 68 of the Complaint.

69. In response to Paragraph 69 of the Complaint, the Unions deny that CTA spent over $211 million in "political expenditures" from 2000 through 2009. The Unions aver that the report cited by the Complaint misleadingly combines the spending of CTA, CTA/Association for Better Citizenship (a political action committee), the California Teachers Association Issues PAC, and NEA, each of which is a separate legal entity. The Unions further aver that the totals put forward by the Complaint amalgamate contributions to candidates and other committees, independent expenditures, and lobbying expenditures. The Unions admit that CTA takes public positions on a wide range of issues, including school vouchers and immigration reform. The Unions aver that objecting feepayers do not subsidize any part of the political activities or expenditures referenced in Paragraph 69 of the Complaint. *See* Dkt. #1, Ex. C to the Complaint at 33-34 (explaining that CTA and its local affiliates do not charge objecting feepayers for "[p]olitical candidate donations or support, including endorsement process and donations to political parties"; "[c]ampaign donations or support on behalf of state or local ballot initiatives"; "[s]upport for political action committees"; "[v]oter registration, get-out-the-vote, and political action training"; or "[l]obbying and political efforts before state legislatures and state administrative agencies"). The Unions deny all remaining allegations in Paragraph 69.

70. The Unions deny the allegations in the first two sentences of Paragraph 70 of the Complaint and aver that CTA has not made contributions to the California Democratic Party or in support of individual candidates, or in support of or in opposition to local measures. To the extent that the allegations in those sentences may refer to contributions made by the Association for Better Citizenship, the Unions deny that such contributions are made by CTA and aver that the Association for Better Citizenship is an entity legally separate from CTA. The Unions admit that CTA spends money advocating on issues related to improving public education— including legislation and ballot measures— but deny the allegation that "much" of that spending "is on issues with no connection to education." The Unions deny that CTA spent more than $1 million to oppose Proposition 8 in 2008, and aver that no money spent by CTA in connection with Proposition 8 consisted of direct contributions; contributions were made by the CTA Issues PAC, which is a separate legal entity. The Unions aver that objecting feepayers do not subsidize any part of the activities or expenditures referenced in Paragraph 70 of the Complaint. *See* Dkt. #1, Ex. C to the Complaint at 33-34 (explaining that CTA and its local affiliates do not charge objecting feepayers for "[p]olitical candidate donations or support, including endorsement process and donations to political parties"; "[c]ampaign donations or support on behalf of state or local ballot initiatives"; "[s]upport for political action committees"; "[v]oter registration, get-out-the-vote, and political action training"; or "[l]obbying and political efforts before state legislatures and state admin-

istrative agencies"). The Unions deny any remaining allegations in Paragraph 70.

71. In response to Paragraph 71, the Unions admit that CTA encourages its members to advocate on issues related to improving public education – including the state budget for supporting public education – and that CTA recently distributed to its teacher-members a list of suggested practices that included:

- "Take ½ photo of Assembly members and have kids draw the other half with a message stating what they want for their teachers";
- Have "students create a BIG poster on a school bus that is sent to Sacramento"; and
- Organize a "Student Video Contest" in which those teachers would conduct a "contest for youth to create a video about what education costs would mean to them."

The Unions specifically deny the allegation that CTA "encourages its members to engage in extensive political activism in the public schools where they work," as well as the allegation that CTA encouraged teachers to "further CTA's campaign in their classrooms." The Unions further aver that objecting feepayers do not subsidize any part of the activities or expenditures referenced in Paragraph 71 of the Complaint. *See* Dkt. #1, Ex. C to the Complaint at 33-34 (explaining that CTA and its local affiliates do not charge objecting feepayers for "[p]olitical candidate donations or support, including endorsement process and donations to political parties"; "[c]ampaign donations or support on behalf of state or local ballot initiatives"; "[s]upport for political action committees"; "[v]oter registration, get-out-the-vote, and political action

training"; or "[l]obbying and political efforts before state legislatures and state administrative agencies"). The Unions deny any remaining allegations in Paragraph 71 of the Complaint.

72. In response to Paragraph 72 of the Complaint, the Unions deny that they take collective bargaining positions "[i]n coordination with their express political advocacy." The remaining allegations in Paragraph 72 of the Complaint are too vague and/or argumentative to require a response, and to the extent those allegations require a response, they are denied.

73. In response to Paragraph 73 of the Complaint, the Unions admit that NEA engages in issue advocacy and grassroots lobbying on a wide range of issues, including support for firearm restrictions and support for the Affordable Care Act. The Unions further aver that objecting feepayers do not subsidize any part of the political activities or expenditures referenced in Paragraph 73 of the Complaint. *See* Dkt. #1, Ex. D to the Complaint at pp. 42-43 (explaining that NEA does not charge objecting feepayers for: "lobbying and political efforts before state legislatures, state administrative agencies, Congress, federal agencies or other executive branch officials, and ballot initiatives, as well as any grassroots lobbying activities related to the Great Public Schools Program, unless any of the preceding are specifically related to ratification or implementation of a collective bargaining agreement"; "supporting or contributing to charitable, religious or ideological causes"; "supporting political organizations or candidates for public office"; or "ideological issues unrelated to collective bargaining or organizational maintenance"). The remaining allegations in Paragraph 73 of the Complaint are too vague

to require a response, and to the extent those allegations require a response, they are denied.

74. In response to Paragraph 74 of the Complaint, the Unions deny that CTA classifies as chargeable expenditures that "have little to do with collective bargaining," and that CTA classified its expenditures on "Human Rights Programs" as "being 100% chargeable." *See* Dkt. #1, Ex. C to Complaint at 21. The Unions admit that, based on a review of audited expenditures in the 2010-11 year, CTA classified its "Gay / Lesbian Program" expenditures to be fully chargeable, because, *inter alia*, expenditures under that line item are designed to strengthen the governance of CTA and its affiliated chapters by recruiting and training underrepresented groups to participate in Union leadership and serve as effective bargaining representatives. The Unions further admit that, based on a review of audited expenditures in the 2010-11 year, CTA classified its "GLBT Conference" expenditures to be 71.3% chargeable, because a like percentage of the conference content concerned properly chargeable matters including, *inter alia*, professional development, teaching strategies, educational equity, and creating a safe, bully-free school atmosphere for gay and lesbian students. The Unions further admit that, based on a review of audited expenditures in the 2010-11 year, CTA classified the publication and dissemination of *The California Educator*, its internal magazine provided to all represented employees, including fee payers, to be 78.4% chargeable because a like percentage of the publication's content concerned properly chargeable matters including, *inter alia*, collective bargaining, professional development, and teaching strategies. The Un-

ions further admit that, based on a review of audited expenditures in the 2010-11 year, CTA classified "Regional Service" expenditures to be 93.1% chargeable based on a detailed review of line item expenditures under this heading because they concerned, *inter alia*, internal Union governance and operations, collective bargaining and contract enforcement, professional development, and teaching strategies. The Unions further aver that, each year, CTA includes a substantial "cushion" by reducing its calculation of the percentage of dues that may be charged to objecting feepayers by approximately 3 percentage points, and that in the 2012-13 year, for example, CTA calculated the actual chargeable percentage of its expenditures to be 68.4 percent, but sought only 65.4 percent of the full fee from California objecting feepayers – a figure that represented a reduction of approximately $3,841,860 (or 3 percent) in chargeable CTA expenditures. The remaining allegations in Paragraph 74 of the Complaint are too vague to require a response, and to the extent that those allegations require a response, they are denied.

75. In response to Paragraph 75 of the Complaint, the Unions deny that CTA considers "public polling" to be chargeable. The Unions aver that the "polling" referenced in Exhibit C to the Complaint is polling of unit employees to ensure that CTA's strategies, policies, and positions are aligned with the needs and interests of the educators it represents. The remaining allegations in Paragraph 75 of the Complaint are too vague to require a response, and to the extent that those allegations require a response, they are denied.

76. In response to Paragraph 76 of the Complaint, the Unions deny that NEA classifies as chargeable

expenditures that "have little to do with collective bargaining." The Unions admit that NEA classified 76% of expenditures in the budget category of "Provide technical and financial support to affiliates engaged in or preparing to engage in comprehensive salary campaigns" as chargeable, because, *inter alia*, they supported NEA affiliates' efforts to obtain increased compensation through collective bargaining. The Unions further admit that NEA classified 91.5% of expenditures in the budget category of "Provide resources to assist affiliates build capacity to support their initiatives designed to advance pro-public education policies for student learning and workforce quality" as chargeable, because, *inter alia*, those expenditures supported NEA-represented educators' training and professional development, improvement of teaching and learning conditions, and development of leadership skills necessary to maintain affiliates' associational existence. The Unions further admit that NEA classified 73.38% of expenditures in the budget category of "Affiliate programs and services that increase membership" as chargeable, because, *inter alia*, those expenditures included:

- funding for NEA's "Uniserv Director" Program, which provides paid staff for direct representation of bargaining unit members in collective bargaining and contract administration;
- funding for the Local President Release Time Program, which enables local presidents to perform the core representation functions of collective bargaining and contract administration; and
- funding for the Unified Executive Director Program, which provides funding for full-time exec-

utive directors to manage the operations of affiliates.

The Unions further admit that NEA classified 81% of expenditures in the budget category of "Build[ing] affiliate capacity for membership growth through project funding and constituency group assistance" as chargeable, because, *inter alia*, that budget category is a sub-set of the category referenced above entitled "Affiliate programs and services that increase membership," and expenditures in this category fund NEA's Uniserv Director, Local President Release Time, and Unified Executive Director Programs. The Unions further admit that NEA classified 80.9% of expenditures for the budget activities of "[f]acilitate[] the development of NEA strategy and operations," "[i]mplement[] workplace culture initiative," and "[m]aintain[] NEA records archives," and all expenditures for staff professional-development training, as chargeable, because, *inter alia*, those expenditures cover overhead functions that are necessary to maintain NEA's organizational existence, that do not have any inherently expressive character of their own, and that do not "significantly add to the burdening of free speech that is inherent in the allowance of an agency or union shop," *Lehnert v. Ferris Faculty Ass'n*, 500 U.S. 507, 519 (1991). The Unions further admit that NEA classified 13.36% of expenditures in the budget category of "Communicate the NEA beliefs, qualities, and services to engage members and improve target audiences' recognition of NEA through print and electronic media" as chargeable, because, *inter alia*, such expenditures were incurred for the production of two higher-education publications that relate to professional development and teaching and education

generally, as well as for projects to enhance educators' online access to materials that relate to professional development and teaching and education generally. The Unions further admit that NEA classified 14.09% of expenditures in the budget category of "Increase efficient use of campaign tools, technology. and resources in all NEA targeted campaigns" as chargeable, because, *inter alia*, that budget category is a sub-set of the category referenced above entitled "Communicate the NEA beliefs, qualities, and services to engage members and improve target audiences' recognition of NEA through print and electronic media," and the expenditures were incurred for projects to enhance educators' online access to materials that relate to professional development and teaching and education generally. The Unions further admit that NEA classified 36.76% of expenditures in the budget category of "Partner with ethnic minority, civil rights, and other organizations to advance NEA's commitment to social justice" as chargeable, because, *inter alia*, these expenditures were incurred in the development and dissemination of teacher resources for engaging English-language learner students and training for teachers to foster a safe, bully-free school atmosphere for gay and lesbian students. The Unions further aver that, each year, NEA includes a substantial "cushion" by reducing its calculation of the percentage of dues that may be charged to objecting feepayers by five to six percentage points; in the 2012-13 school year, for example. NEA calculated the actual chargeable percentage of its expenditures to be 45.89%, but sought only 40% of the full fee from California objecting feepayers—a figure that represented a reduction of $20,751,663.84 (or 5.89%) in

chargeable NEA expenditures. The remaining allegations in Paragraph 76 of the Complaint are too vague to require a response, and to the extent those allegations require a response, they are denied.

77. In response to Paragraph 77 of the Complaint, the Unions admit that at pages 41-42 of Exhibit D to the Complaint, the NEA Combined Financial Statement states that "*chargeable* activities and expenditures were related to" fifteen listed matters, that one of those matters is "specific terms and conditions of employment that may be negotiable, such as wages, hours, benefits, working conditions, employment discrimination, promotions, discipline, discharge, retirement benefits, performance evaluation, overtime compensation, environmental issues in the workplace, etc.," and that another of the listed matters is "NEA award programs." Except as thus admitted, the Unions deny the allegations in Paragraph 77.

78. Paragraph 78 of the Complaint asserts only legal conclusions, which do not require a response. To the extent Paragraph 78 of the Complaint makes any factual allegations, they are denied.

79. Paragraph 79 of the Complaint asserts only legal conclusions, which do not require a response. To the extent Paragraph 79 of the Complaint makes any factual allegations, they are denied. Plaintiffs further aver that, although the language quoted in Paragraph 79 of the Complaint appears in the decisions referenced therein, Paragraph 79 does not completely and accurately state the applicable law.

80. Paragraph 80 of the Complaint asserts only legal conclusions, which do not require a response. Plaintiffs further aver that, although the language

quoted in Paragraph 80 of the Complaint appears in the decisions referenced therein, Paragraph 80 does not completely and accurately state the applicable law.

81. Paragraph 81 of the Complaint asserts only legal conclusions, which do not require a response. To the extent Paragraph 81 of the Complaint makes any factual allegations, they are denied. Plaintiffs further aver that, although the language quoted in Paragraph 81 of the Complaint appears in the decisions referenced therein, Paragraph 81 does not completely and accurately state the applicable law.

82. Paragraph 82 of the Complaint asserts only legal conclusions, which do not require a response. To the extent Paragraph 82 of the Complaint makes any factual allegations, they are denied.

83. In response to Paragraph 83 of the Complaint, the Unions deny that teachers wishing to avoid contributing to nonchargeable expenditures "must write a letter each year expressing that wish." The Unions aver that objecting feepayers need only complete and return a simple form in order register the objection. (*See* Ex. A.) The remaining allegations in Paragraph 83 of the Complaint are too vague to require a response, and to the extent those allegations require a response, they are denied.

84. Paragraph 84 of the Complaint asserts only legal conclusions, which do not require a response. To the extent Paragraph 84 of the Complaint makes any factual allegations, they are denied.

85. In response to Paragraph 85 of the Complaint, the Unions admit that *Abood v. Detroit Board of Education*, 431 U.S. 209 (1977), upheld the constitu-

tionality of compelling payment of agency fees by public employees and that *Mitchell v. Los Angeles Unified School District*, 963 F.2d 258 (9th Cir. 1992), upheld requiring non-members to "opt out" of paying the "non-chargeable" share of dues. The Unions deny that stare decisis "may" restrict the ability of lower federal courts to grant Plaintiffs the relief they seek, because those decisions, and other controlling precedent, *require* denial of the relief Plaintiffs seek.

86. In response to Paragraph 86 of the Complaint, the Unions incorporate their responses to Paragraphs 1 through 85 of the Complaint.

87. The Unions admit the allegations in Paragraph 87 of the Complaint.

88. The Unions admit the allegations in Paragraph 88 of the Complaint.

89. Pàragraph 89 of the Complaint asserts only legal conclusions, which do not require a response. To the extent Paragraph 89 of the Complaint makes any factual allegations, they are denied.

90. In response to Paragraph 90, the Unions deny both that Plaintiffs are entitled to any remedy at all and that, even if Plaintiffs are entitled to a remedy, they have no adequate remedy at law.

91. In response to Paragraph 91 of the Complaint, the Unions incorporate their responses to Paragraphs 1 through 90 of the Complaint.

92. Paragraph 92 of the Complaint asserts only legal conclusions, which do not require a response. To the extent Paragraph 92 of the Complaint makes any factual allegations, they are denied.

93. In response to Paragraph 93, the Unions deny both that Plaintiffs are entitled to any remedy at all and that, even if Plaintiffs are entitled to a remedy, they have no adequate remedy at law

94. In response to Paragraph 94 of the Complaint, the Unions deny that the Plaintiffs are entitled to an award of their costs, including reasonable attorneys' fees, incurred in the litigation of this case.

SECOND DEFENSE

95. Paragraphs 1-94 are incorporated herein by reference.

96. To the extent that the requirement of paying an agency fee implicates the rights of the individual Plaintiffs and other nonmembers to freedom of speech or association under the First Amendment, the speech or association is that of employees on matters of private concern, pursuant to their official duties, not of citizens on a matter of public concern. The First Amendment does not protect such speech or association. The Unions therefore are entitled to judgment on all of Plaintiffs' claims.

THIRD DEFENSE

In response to the First Count of Plaintiff's Complaint, the Unions further aver as follows:

97. Paragraphs 1-96 above are incorporated herein by reference.

98. In authorizing a union to serve as exclusive bargaining representative for a bargaining unit of public school employees, California imposes on the union a duty to represent fairly all employees in the unit, regardless of whether they choose to join and remain members of the union or to exercise their

right to refrain from union membership. All teachers in the bargaining units for which the Defendant local unions have been designated as exclusive bargaining representatives, including the individual Plaintiffs, have been and continue to be represented fairly by the Defendant local unions, with assistance from Defendants CTA and NEA.

99. For the fiscal year ended August 31, 2011, the Defendant local unions devoted the following proportions of their expenditures to matters for which the First Amendment permits objecting nonmembers to be charged a pro rata share ("chargeable" expenses or activities):

Savanna District Teachers Association	100%
Saddleback Valley Education Association	97%
Orange Unified Education Association, Inc.	96.0%
Kern High School Teachers Association	92.86%
National Education Association – Jurupa	92.2%
Santa Ana Educators Association, Inc.	94.53%
Teachers Association of Norwalk – LaMirada Area	89.1%
Sanger Unified Teachers Association	84.36%
Associated Chiro Teachers	99.1%
San Luis Obispo County Education Association	91%

Nevertheless, for the 2012-13 fee year, for which the fee percentages are based on the union's expendi-

tures during the fiscal year ended August 31, 2011, each of the Defendant local unions charged objecting nonmembers, including the individual Plaintiffs, only 65.4% of the local union portion of the agency fee. So too, for the fiscal year ended August 31, 2011, 68.4% of CTA's expenditures, and 45.89% of NEA's expenditures, were for chargeable matters, but, for the 2012-13 fee year, objectors, including the individual Plaintiffs, were charged only 65.4% of CTA's portion of the agency fee and 40.0% of NEA's portion.

100. On information and belief, at all relevant times the proportion of the Unions' combined agency fee that has been charged to the individual Plaintiffs has been less than the proportion of the Unions' expenditures that has been devoted to matters that present no conflict with the Plaintiffs' beliefs on any matter of public concern, or on any other matter. For example, the great bulk of the time and expenses devoted by the Defendant local unions to collective bargaining, and the assistance provided by CTA and NEA in connection therewith, has been directed at achieving improvements in wages, benefits and other terms and conditions of employment which benefit the individual Plaintiffs; and on information and belief, those activities of the Unions do not involve messages that conflict with the beliefs of any of the individual Plaintiffs on matters of public concern or on any other matter. Nor, on information and belief, does the representation that the local unions, with assistance from CTA and NEA, provide to individual teachers in the grievance arbitration process involve messages that conflict with the beliefs of the individual Plaintiffs on matters of public concern or on any other matter. Nor, on information and belief, do the

Unions' professional development activities involve messages that conflict with the beliefs of the individual Plaintiffs on matters of public concern or on any other matter. On information and belief, the same is true with respect to virtually all of the Unions' chargeable expenses.

101. To the extent that some of the Unions' chargeable activities may on occasion have involved messages that conflict with certain beliefs of certain of the individual Plaintiffs, those Plaintiffs have not in any event been required to pay a full *pro rata* share of the Unions' chargeable expenses, because the required payments have been reduced as described in paragraph 99 above.

102. At all relevant times, the proportion of the Unions' agency fee that has been charged to the individual Plaintiffs has been less than the proportion of the Unions' expenditures that has been devoted to matters that have benefited those Plaintiffs.

103. The choice made by the California legislature to adopt a labor relations system under which public school employees may be represented by an exclusive bargaining agent selected by a majority of the employees in an appropriate bargaining unit serves a number of governmental purposes. Instead of a personnel system in which all terms and conditions of employment are imposed by fiat, risking discontent and disruption, the school district is able to establish terms and conditions by agreement, thereby obtaining the employees' "buy in" to the rules that govern their employment; and instead of being confronted by competing demands from individual employees or organizations, the district is able to deal with a single

entity. This process affords a district the best means of ascertaining and taking account of the interests, desires and expertise of its teachers as a group. Thus, for example, the district is able to direct its compensation dollars where they will accomplish the most benefit to the greatest number of its employees, and to develop employment practices and procedures that take into account the rights, interests and knowledge of the employees who will implement or be affected by them. In addition, the exclusive representation system enables school districts to deal with a negotiating partner that can function at a high level of competence, with access to CTA's and NEA's highly experienced staff members who are uniquely qualified to develop mutually agreeable solutions to issues and disputes, and whose knowledge and experience in analyzing economic data and other information not only enables the bargaining unit to understand the proposals that are made by management, and the bases for those proposals, more fully than would otherwise be possible but, by facilitating two-way communication of views and information between the employees and management, also contributes to a fuller understanding of the issues on management's part. The exclusive representation system also provides the best means for school officials to make use of the knowledge and experience of teachers in finding ways to improve the quality of education.

104. The exclusive representation system makes it possible for a school district to be party to a grievance arbitration system that offers advantages over other dispute resolution procedures. In most cases, that system provides that a grievance will not proceed to arbitration if the union determines, consistent with

its duty of fair representation, that the grievance lacks merit or otherwise should not be pursued. Such a system brings closure to such disputes more fairly and expeditiously than could otherwise be the case.

105. Exclusive representation makes it possible for a school district to obtain other beneficial collectively-bargained provisions as well. For example, many of the Defendant local unions have agreed to contractual provisions by which the union, in addition to agreeing that it will not call or participate in any strike or work stoppage, commits itself to taking appropriate steps to encourage a cessation of any such action on the part of bargaining unit members.

106. Because the Union expenses as to which the individual Plaintiffs are required to pay a *pro rata* share are incurred almost entirely in connection with matters that do not involve messages that conflict with the beliefs of the individual Plaintiffs on matters of public concern, the Plaintiffs have no interest protected by the First Amendment in avoiding such payments; and, to the extent that the required payments implicate any interest protected by the First Amendment, the requirement is justified by sufficient governmental interests as described above. The Unions therefore are entitled to judgment on the First Count of Plaintiffs' Complaint.

FOURTH DEFENSE

In response to the Second Count of Plaintiffs' Complaint, the Unions further aver as follows:

107 Paragraphs 1-106 above are incorporated hereir. by reference.

108. Requiring a nonmember to pay the full agency fee unless he or she opts out pursuant to the proce-

dure established by the Unions presents no risk that the individual Plaintiffs or other nonmembers will be required to support activities or messages to which they are opposed. The Unions' opt-out procedure has not deterred any Plaintiff from opting out; nor, on information and belief, has it so deterred any other nonmember who wishes not to contribute to the Unions' nonchargeable activities. Nor has any Plaintiff failed to exercise the right to opt out due to a lack of awareness of the procedure by which to do so; and on information and belief, the same is true of all other nonmembers as well.

109. That a teacher has not become a member of the Unions does not suggest that he or she is generally opposed to the Unions' nonchargeable activities; there are numerous considerations that might lead a teacher not to become a member even though he or she has no objection to those activities. Some individuals simply are reluctant to join any organization. Some may refuse to join the Unions because they do not feel that they have a complete understanding of the Unions' activities, or because they wish to receive the annual notice that is sent to nonmembers so that they will be apprised of the Unions' expenditures in case they might wish to object at some future time. Some may choose not to become members of the Unions because members are required to comply with internal union rules and are subject to discipline if they violate them. Some may choose not to become members because they fear that doing so might subject them to adverse consequences if their present or future employer were to harbor anti-union sentiments. Some may choose not to be members because they do not support the incumbent leadership of the

union, either because they support rival unsuccessful candidates for union office or for other reasons. And some may choose not to join the Unions because they believe that the Unions have not done a good job at the bargaining table, or in dealing with a particular grievance or other matter. In each of these cases, such nonmembers may have no objection to the Unions' nonchargeable activities and may have no desire to opt out and thus to reduce the funds available to the Unions for those or other activities. To the contrary, notwithstanding their individual reasons for refraining from union membership, they may wish to be represented by a strong union that has sufficient financial resources to promote effectively the employment interests of the bargaining unit through collective bargaining, legislative activity and other efforts.

110. On information and belief, the great bulk of the Unions' nonchargeable activities, including, for example, legislative activities in support of improved wages and benefits, generally are viewed as beneficial by nonmembers as well as members. When a nonmember does not opt out of paying the full agency fee, the most likely reason is that the nonmember is not opposed to the Unions' nonchargeable activities.

111. If a nonmember chooses to opt out of paying the nonchargeable portion of the agency fee, the nonmember is not required to identify in any way the expenditures or activities to which he or she objects, or otherwise to state the basis for the decision to opt out. Even if a nonmember were to declare that his or her objection should be considered to be permanent or continuing, which none of the individual Plaintiffs has done, there still would not be sufficient grounds

to assume, in any and every subsequent year, that the individual continues to wish to opt out. The nonmember's views may change; or the Unions may cease to engage in the activities that caused the nonmember to opt out; or the nonmember may acquire a different understanding of the Unions' activities; or the nonmember may come to appreciate the benefits of union representation such that he or she no longer wishes to opt out even if there continue to be some union activities with which the individual may not agree. By sending a *Hudson* notice to each nonmember each year, providing the opportunity to opt out of paying the full agency fee for that year, the Unions recognize both that a nonmember who did *not* opt out in preceding years may choose to opt out in the current year, and that a nonmember who *did* opt out in some preceding year might not wish to opt out in the current year. This system ensures that the amounts paid by all nonmembers are based on their current preference as to whether to pay the full agency fee or instead to pay the reduced amount that is charged to those who choose to opt out.

112. The Unions therefore are entitled to judgment on the Second Count of Plaintiffs' Complaint.

FIFTH DEFENSE

113. Plaintiffs' Complaint fails to state a claim upon which relief can be granted.

SIXTH DEFENSE

114. Plaintiff CEAI lacks standing to sue and therefore this Court lacks subject-matter jurisdiction over CEAI's claims.

SEVENTH DEFENSE

115. Plaintiff Zavala lacks standing to assert the claim alleged in the Second Count of the Complaint.

EIGHTH DEFENSE

116. All Plaintiffs lack standing to assert the claims alleged in paragraph 83 of the Complaint, and those claims are not ripe for adjudication.

NINTH DEFENSE

117. To the extent that Paragraph 52 of the Complaint asserts a claim based on the provisions of Cal. Gov't Code § 3546(b) regarding lobbying, plaintiffs lack standing to assert such a claim.

TENTH DEFENSE

118. Claims in the Complaint are barred by the applicable statute of limitations.

ELEVENTH DEFENSE

119. Claims in the Complaint are barred by laches.

WHEREFORE, the Unions prays that judgment be entered their favor on the Plaintiffs' Complaint and that plaintiffs take nothing by it, and for such other and further relief as may be appropriate under the circumstances, including costs and attorney's fees.

Date: August 9, 2013

* * *

EXHIBIT A

2012-13
AGENCY FEE REBATE /
ARBITRATION REQUEST FORM

Name _____

Address _____

City/State/Zip _____

Last 4 Digits of Social Security Number_____

School District_____

Local Association _____
(Full Local Name)

❑ I request a rebate of the nonchargeable portion of my fees.

I wish to challenge the following in an arbitration hearing (check only those calculations you actually wish to challenge):

- ❑ Local Association's calculation
- ❑ CTA's calculation
- ❑ NEA's calculation

❑ Initial here if you have no objection to providing your name and address to any other Fee Objector who seeks the identities of other Fee Objectors for purposes related to the upcoming arbitration case. Such a requesting Fee Objector is required to agree in writing in advance that no party or representative of any party in this case shall use, or permit or enable the use of, the names and addresses of Fee Objectors in these proceedings for any purpose not

immediately and directly related to this arbitration.

Send completed form to:

Agency Fee Rebate
CTA Membership
Accounting
P O Box 4178
Burlingame CA 94011-4178

FOR OFFICE USE ONLY

Indiv ID# _____
PR Ded $_____
Category _____
Date: _____
Initial: _____

* * *

IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

REBECCA FRIEDRICHS, ET AL., Plaintiffs, **v.** **CALIFORNIA TEACHERS ASSOCIATION, ET AL.,** Defendants.	SACV 13-676-JST (CWx) **PROPOSED ANSWER AND AFFIRMATIVE DEFENSES OF THE ATTORNEY GENERAL TO PLAINTIFFS' COMPLAINT**

Pursuant to Federal Rule of Civil Procedure 24(c), Proposed Intervenor Attorney General Kamala D. Harris submits this Proposed Answer and Affirmative Defenses in conjunction with the Attorney General's Motion to Intervene for the Purpose of Defending the Constitutionality of State Statues. The Attorney General answers as follows:

1. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, the Attorney General denies any remaining allegations in paragraph 1.

2. The Attorney General admits that the California Educational Employment Relations Act. (the "Act"), California Government Code sections 3540 et seq., speaks for itself. Except as specifically admitted, the Attorney General denies the allegations in paragraph 2.

3. The Attorney General is without knowledge or information to form a belief as to the truth of the allegations in paragraph 3, and on that basis denies the allegations of paragraph 3.

4. The Attorney General is without knowledge or information to form a belief as to the truth of the allegations in paragraph 4, and on that basis denies the allegations of paragraph 4.

5. The Attorney General denies the allegations in paragraph 5.

6. The Attorney General denies the allegations in paragraph 6.

7. The Attorney General denies the allegations in paragraph 7.

8. The Attorney General is without knowledge or information to form a belief as to the truth of the allegations in paragraph 8, and on that basis denies the allegations of paragraph 8.

9. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, the Attorney General denies any remaining allegations in paragraph 9.

10. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, the Attorney General denies any remaining allegations in paragraph 10.

11. The Attorney General is without knowledge or information to form a belief as to the truth of the allegations in paragraph 11, and on that basis denies the allegations of paragraph 11.

12. The Attorney General is without knowledge or information to form a belief as to the truth of the al-

legations in paragraph 12, and on that basis denies the allegations of paragraph 12.

13. The Attorney General is without knowledge or information to form a belief as to the truth of the allegations in paragraph 13, and on that basis denies the allegations of paragraph 13.

14. The Attorney General is without knowledge or information to form a belief as to the truth of the allegations in paragraph 14, and on that basis denies the allegations of paragraph 14.

15. The Attorney General is without knowledge or information to form a belief as to the truth of the allegations in paragraph 15, and on that basis denies the allegations of paragraph 15.

16. The Attorney General is without knowledge or information to form a belief as to the truth of the allegations in paragraph 16, and on that basis denies the allegations of paragraph 16.

17. The Attorney General is without knowledge or information to form a belief as to the truth of the allegations in paragraph 17, and on that basis denies the allegations of paragraph 17.

18. The Attorney General is without knowledge or information to form a belief as to the truth of the allegations in paragraph 18, and on that basis denies the allegations of paragraph 18.

19. The Attorney General is without knowledge or information to form a belief as to the truth of the allegations in paragraph 19, and on that basis denies the allegations of paragraph 19.

20. The Attorney General is without knowledge or information to form a belief as to the truth of the al-

legations in paragraph 20, and on that basis denies the allegations of paragraph 20.

21. The Attorney General is without knowledge or information to form a belief as to the truth of the allegations in paragraph 21, and on that basis denies the allegations of paragraph 21.

22. The Attorney General admits that Defendant National Education Association is a teachers' union in the United States. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 22, and on that basis denies the allegations of paragraph 22.

23. The Attorney General admits that Defendant California Teachers Association is a teachers' union in California. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 23, and on that basis denies the allegations of paragraph 23.

24. The Attorney General admits that Defendant Savanna District Teachers Association, CTA/NEA is a teachers' union in California. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 24, and on that basis denies the allegations of paragraph 24.

25. The Attorney General admits that Defendant Saddleback Valley Educators Association is a union in California. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allega-

tions in paragraph 25, and on that basis denies the allegations of paragraph 25.

26. The Attorney General admits that Defendant Orange Unified Education Association, Inc. is a union in California. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 26, and on that basis denies the allegations of paragraph 26.

27. The Attorney General admits that Defendant Kern High School Teachers Association is a union in California. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 27, and on that basis denies the allegations of paragraph 27.

28. The Attorney General admits that Defendant National Education Association-Jurupa is a union in California. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 28, and on that basis denies the allegations of paragraph 28.

29. The Attorney General admits that Defendant Santa Ana Educators Association, Inc. is a union in California. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 29, and on that basis denies the allegations of paragraph 29.

30. The Attorney General admits that Defendant Teachers Association of Norwalk-La Mirada Area is a union in California. Except as specifically admitted,

the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 30, and on that basis denies the allegations of paragraph 30.

31. The Attorney General admits that Defendant Sanger Unified Teachers Association is a teachers' union in California. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 31, and on that basis denies the allegations of paragraph 31.

32. The Attorney General admits that Defendant Associated Chino Teachers is a union in California. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 32, and on that basis denies the allegations of paragraph 32.

33. The Attorney General admits that Defendant San Luis Obispo County Education Association is a union in California. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 33, and on that basis denies the allegations of paragraph 33.

34. The Attorney General admits that Defendant school superintendents are the officers in charge of school districts. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 34, and on that basis denies the allegations of paragraph 34.

35. The Attorney General admits that Defendant Sue Johnson is the superintendent of Savanna School District. Except as specifically admitted. the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 35, and on that basis denies the allegations of paragraph 35.

36. The Attorney General admits that Defendant Clint Hardwick is the superintendent of the Saddleback Valley Unified School District. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 36, and on that basis denies the allegations of paragraph 36.

37. The Attorney General admits that Defendant Michael L. Christensen is the superintendent of the Orange Unified School District. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 37, and on that basis denies the allegations of paragraph 37.

38. The Attorney General admits that Defendant Donald E. Carter is the superintendent of the Kern High School District. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 38, and on that basis denies the allegations of paragraph 38.

39. The Attorney General admits that Defendant Elliott Duchon is the superintendent of the Jurupa Unified School District. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the

allegations in paragraph 39, and on that basis denies the allegations of paragraph 39.

40. The Attorney General admits that Defendant Thelma Melendez de Santa Ana is the superintendent of the Santa Ana Unified School District. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 40, and on that basis denies the allegations of paragraph 40.

41. The Attorney General admits that Defendant Ruth Perez is the superintendent of the Norwalk-La Mirada Unified School District. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 41, and on that basis denies the allegations of paragraph 41.

42. The Attorney General admits that Defendant Marcus P. Johnson is the superintendent of the Sanger Unified School District. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 42, and on that basis denies the allegations of paragraph 42.

43. The Attorney General admits that Defendant Wayne Joseph is the superintendent of the Chino Valley Unified School District. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 43, and on that basis denies the allegations of paragraph 43.

44. The Attorney General admits that Defendant Julian D. Crocker is the superintendent of the San

Luis Obispo County Office of Education. Except as specifically admitted, the Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 44, and on that basis denies the allegations of paragraph 44.

45. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, the Attorney General denies any remaining allegations in paragraph 45.

46. The Attorney General admits that this Court has subject matter jurisdiction over this action under 28 U.S.C. §§ 1331 and 1343(a)(3)-(4). The Attorney General denies that declaratory relief is authorized by 28 U.S.C. §§ 2201 and 2202 and Federal Rule of Civil Procedure 57 in this action.

47. The Attorney General admits that venue is proper in this district under 28 U.S.C. § 1391(b).

48. The Attorney General admits that an actual controversy exists between the parties that is jusiticiable. Except as specifically admitted, the Attorney General denies the allegations in paragraph 48.

49. The Attorney General denies the allegations in paragraph 49.

50. The Attorney General admits that the Act speaks for itself. Except as specifically admitted. the Attorney General denies the allegations in paragraph 50.

51. The Attorney General admits that the Act speaks for itself. Except as specifically admitted. the Attorney General denies the allegations in paragraph 51.

52. The Attorney General admits that the Act speaks for itself. Except as specifically admitted, the Attorney General denies the allegations in paragraph 52.

53. The Attorney General admits that the Act speaks for itself. Except as specifically admitted, the Attorney General denies the allegations in paragraph 53.

54. The Attorney General admits that the Act speaks for itself. Except as specifically admitted, the Attorney General denies the allegations in paragraph 54.

55. The Attorney General admits that the Act speaks for itself. Except as specifically admitted, the Attorney General denies the allegations in paragraph 55.

56. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 56, and on that basis denies the allegations of paragraph 56.

57. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 57, and on that basis denies the allegations of paragraph 57.

58. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 58, and on that basis denies the allegations of paragraph 58.

59. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 59, and on that basis denies the allegations of paragraph 59.

60. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 60, and on that basis denies the allegations of paragraph 60.

61. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 61, and on that basis denies the allegations of paragraph 61.

62. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 62, and on that basis denies the allegations of paragraph 62.

63. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 63, and on that basis denies the allegations of paragraph 63.

64. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 64, and on that basis denies the allegations of paragraph 64.

65. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 65, and on that basis denies the allegations of paragraph 65.

66. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 66, and on that basis denies the allegations of paragraph 66.

67 The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 67, and on that basis denies the allegations of paragraph 67.

68. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 68, and on that basis denies the allegations of paragraph 68.

69. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 69, and on that basis denies the allegations of paragraph 69.

70. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 70, and on that basis denies the allegations of paragraph 70.

71. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 71, and on that basis denies the allegations of paragraph 71.

72. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 72, and on that basis denies the allegations of paragraph 72.

73. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 73, and on that basis denies the allegations of paragraph 73.

74. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 74, and on that basis denies the allegations of paragraph 74.

75. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 75, and on that basis denies the allegations of paragraph 75.

76. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 76. and on that basis denies the allegations of paragraph 76.

77. The Attorney General lacks sufficient knowledge or information to form a belief as to the truth of the allegations in paragraph 77, and on that basis denies the allegations of paragraph 77.

78. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, the Attorney General denies any remaining allegations in paragraph 78.

79. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, the Attorney General denies any remaining allegations in paragraph 79.

80. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, the Attorney General denies any remaining allegations in paragraph 80.

81. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, the Attorney General denies any remaining allegations in paragraph 81.

82. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, the Attorney General denies any remaining allegations in paragraph 82.

83. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, the Attorney General denies any remaining allegations in paragraph 83.

84. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, the Attorney General denies any remaining allegations in paragraph 84.

85. The Attorney General admits that *Abood v. Detroit Board of Education*, 431 U.S. 209 (1977) upheld the constitutionality of compelling payment of agency fees by public employees and that *Mitchell v. Los Angeles Unified School District* 963 F.2d 258 (9th Cir. 1992) upheld requiring non-members to "opt out" of paying the "non-chargeable" share of dues. The Attorney General also admits that stare decisis restricts the ability of lower federal courts to grant plaintiffs the relief they seek.

86. In response to paragraph 86, the Attorney General incorporates the responses to paragraphs 1-85 of the Complaint.

87. The Attorney General admits that the First Amendment speaks for itself.

88. The Attorney General admits that the Fourteenth Amendment speaks for itself.

89. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, the Attorney General denies any remaining allegations in paragraph 89.

90. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, the Attorney General denies any remaining allegations in paragraph 90.

91. In response to paragraph 91, the Attorney General incorporates the responses to paragraphs 1 90 of the Complaint.

92. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, the Attorney General denies any remaining allegations in paragraph 92.

93. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, the Attorney General denies any remaining allegations in paragraph 93.

94. The Attorney General denies that plaintiffs are entitled to costs and fees.

AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

The Complaint, and each and every purported cause of action contained therein, fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

Plaintiffs' claims in this action are barred in that they do not have standing to bring them.

THIRD AFFIRMATIVE DEFENSE

The Complaint, and each cause of action therein, is improper as plaintiffs have an adequate remedy at law.

FOURTH AFFIRMATIVE DEFENSE

The Complaint, and every cause of action therein, is barred by the equitable doctrines of estoppel, laches, unclean hands, and/or waiver.

FIFTH AFFIRMATIVE DEFENSE

Plaintiffs' claims in this action are uncertain, vague, ambiguous, improper, and unintelligible.

SIXTH AFFIRMATIVE DEFENSE

Any monetary relief sought by the plaintiffs violates California's sovereign immunity contained in the Eleventh Amendment to the United States Constitution.

SEVENTH AFFIRMATIVE DEFENSE

The Attorney General has not knowingly or intentionally waived any applicable affirmative defense. The Attorney General reserves the right to assert and rely upon other such defenses as may become available or apparent during discovery proceedings or as may be raised or asserted by others in this case, and to amend their answer and/or affirmative defenses accordingly. The Attorney General further reserves the right to amend this answer to delete affirmative defenses that they determine are not applicable after subsequent discovery.

WHEREFORE, the Attorney General prays as follows:

1. That judgment be entered in favor of Defendants and against Plaintiffs on the Complaint as a whole, and on each cause of action therein, and that Plaintiffs take nothing by way of the Complaint;

2. That the Complaint, and each claim for relief therein, be dismissed with prejudice;

3. That Defendants be awarded the costs, expenses, and attorneys' fees incurred in this action; and

4. That the Court grant Defendants such additional relief as it deems proper.

Dated: September 19, 2013

* * *